Tuesday
22nd March, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

Tuesday, 22nd March, 1948

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

REGROUPING OF RAILWAYS AND RE-ORGANISATION OF WORKSHOPS

*1276. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether the question of regrouping various Railways and re-organisation of various Workshops is under consideration and if so, with what result?

(b) Has any scheme been already prepared therefor?

(c) Has any site for locating a workshop for the East Punjab Railway been decided upon?

The Honourable Shri N. Gopalaswami Ayyangar: (a) to (c). The question is already under consideration and I would refer the honourable member to para. 46 of my Budget Speech.

Shri R. K. Sidhva: Since how long is this question under consideration and may I know whether the Honourable Minister give us some indication as to when this is likely to take shape?

The Honourable Shri N. Gopalaswami Ayyangar: I think the consideration started in 1937. I can give the honourable member hopes that this consideration will be completed before the end of the next financial year.

Shri R. K. Sidhva: With reference to part (c) of the question may I ask where is the present workshop for the East Punjab Railway, where are the repairs done?

The Honourable Shri N. Gopalaswami Ayyangar: At present there is uone like a big workshop for the E. P. Railway. We are thinking of erecting one and the selection of the site is under consideration.

Shri R. K. Sidhva: I wanted to know where the vehicles and other things are repaired today for the E. P. Railway—at which workshop are they being repaired?

The Honourable Shri N. Gopalaswami Ayyangar: In other workshops. There are small workshops here and there, but where large repairs are required they are sent to the workshops of other Railways.

Shri Arun Chandra Guha: Is there any workshop for Assam?

The Honourable Shri N. Gopalaswami Ayyangar: Not at present.

Shri Arun Chandra Guha: Then how are the coaches and bogies repaired?

The Honourable Shri N. Gopalaswami Ayyangar: They will be repaired at a new workshop for which also we are in search of a site. We have made provision for acquisition of land in the coming year.

Shri Arun Chandra Guha: What is the present arrangement for repairs?

The Honourable Shri N. Gopalaswami Ayyangar: Hitherto it was done in the workshop of the B. A. Railway. At present, as I said, there is no definite workshop for that area. It will be done in the workshops of other Indian Railways.

Dr. V. Subramaniam: May I know what will be the position of the Railways owned by Indian States which have acceded to the Indian Union?

The Honourable Shri N. Gopalaswami Ayyangar: The question of Indian State Railways is under investigation. Some of them are being taken over by the Railway Board. The taking over of other Railways is under consideration and the whole question of how they will be fitted into the Indian Railway system is comprehensively under examination at present.

Srijut Kuladhar Chaliha: Is there any proposal to start a workshop at Bongaigaon in the Assam Railway?

The Honourable Shri N. Gopalaswami Ayyangar: I am not quite sure if that is not one of the sites under examination.

LATE ARRIVAL OF FRONTIER MAIL AT DELHI

*1277. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state the number of days on which the Frontier Mail arrived late at Delhi during November and December, 1948 and January and February 1949?

(b) Is it a fact that invariably this train arrives late?

(c) Have some Railways observed Punctuality Weeks and if so, which Railway and with what result?

The Honourable Shri N. Gopalaswami Ayyangar: (a) and (b). The Frontier Mail arrived late at Delhi by 20 minutes and less on 4 days, and by more than 20 minutes on 25 days during November; by more than 20 minutes on 31 days in December, 1948; by 20 minutes and less on 6 days and by more than 20 minutes on 25 days during January, 1949; and by 20 minutes and less on 5 days and by more than 20 minutes on 9 days during February, 1949.

(c) A concerted drive for the improvement of punctuality was launched on all the railways, and as a part of it the B. B. and C. I. Railway observed a Punctuality Week from 12th July, 1948 to 18th July, 1948, during which period there was an improvement in the running of trains. The drive on all railways has improved punctuality generally and is being maintained.

Shri R. K. Sidhva: What is the meaning of more than twenty minutes, may I know?

An Honourable Member: Twenty-one minutes.

Honourable Members: What is the upper limit?

The Honourable Shri N. Gopalaswami Ayyangar: It may be twenty-one minutes; it may be even three hours.

Shri R. K. Sidhva: On how many days did the train arrive late by more than one hour?

The Honourable Shri N. Gopalaswami Ayyangar: I have not got the figures by days here. If the honourable member is interested I can give him information for every day in all these months.

Shri R. K. Sidhva: I wanted to know only the total number of days in the months of January and February 1949 when this Frontier Mail arrived late by one hour and more

Mr. Speaker: Instead of going into the details of late arrivals every day he may pursue part (c); that point is covered by part (c).

Shri H. V. Kamath: Is it a fact that at very rare intervals, as if to make amends for the usual delay, a train arrives before time much to the discomfiture of people going to the station to meet their friends and finding that they have left the station already?

The Honourable Shri N. Gopalaswami Ayyangar: That is so, I think the information I have given bears out that statement.

Shri R. K. Sidhva: On how many days during January and February did the train arrive in Delhi before time?

The Honourable Shri N. Gopalaswami Ayyangar: I think on all the thirty-one days of January it arrived late. In February also it was late on fourteen days.

Babu Ramnarayan Singh: I want to know whether for late arrivals the guards and conductors are taken to task and sometimes punished also.

The Honourable Shri N. Gopalaswami Ayyangar: So far as the Frontier Mail is concerned there were special reasons for its coming late. There was work on the double track being executed during these months. As a result of engineering restrictions and cautious driving, practically every day the train had to be late.

Shri R. K. Sidhva: May I know whether up to the year 1940 there was a rule that a driver who brings the train later than the scheduled time is fined a certain amount and if he brings it at the right time a reward is given? Is it a fact?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid I am ignorant of what was in existence before 1940.

Sreematty Annie Mascarene: Is it a fact that late arrivals of trains are due to stopping of the carriages on the way owing to compartments getting overheated?

The Honourable Shri N. Gopalaswami Ayyangar: It might have happened in a stray case or two.

Shri Moturi Satyanarayana: Is it not a fact that some of the mails arrive late because the connecting trains are late and therefore the mails are late?

The Honourable Shri N. Gopalaswami Ayyangar: In some cases the late hour of arrival is due to that cause.

PROVISION OF FANS IN THIRD CLASS COACHES

*1278. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state what steps have been taken to provide fans in third class coaches?

(b) Were any efforts made to place orders for fans and if so, when and what is the number of fans so ordered for?

(c) What are the details of the scheme in regard to this and when are all third class coaches likely to be fitted with fans?

The Honourable Shri N. Gopalaswami Ayyangar: (a) It has been decided to provide electric fans in compartments of all new third class coaches, subject to the availability of electrical equipment. There are 274 Class III coaches on order with firms in India and arrangements have been made to fit fans in them.

(b) Orders were placed with Messrs. Hindustan Aircraft Ltd. in May 1947 for 100 Class III coaches complete with 1,000 fans. For the remaining 174

class III coaches on order with the Wagon Manufacturing Panel, 2,088 fans will be fitted. The E. I. Railway who will do the furnishing placed the necessary orders in February 1949.

(c) As already stated in (a) above, all new Class III all-metal coaches will be fitted with fans. Orders have also been issued to the Railways to fit fans in Ladies compartments of all the old class III coaches, as and when materials and fittings become available.

Shri R. K. Sidhva: May I know whether the Railway Board have fixed up a programme for a number of years within which all the coaches will be fitted with fans, and if so, within what period?

The Honourable Shri N. Gopalaswami Ayyangar: The whole thing depends upon our coach position, if I may put it in that way. That is to say, when we have on the line or for use on the line a sufficient number of coaches which will enable us to withdraw a certain number into our workshops for being fitted with electric fans, we shall be able to pursue a regular programme. At present the coach position is short of requirements and it is not easy to withdraw a substantial number of coaches into our workshops for this purpose.

Shri R. K. Sidhva: With regard to the 2886 fans order for which, the Honourable Minister stated, has been placed in February, may I know when delivery is expected, and when this number is likely to be fitted?

The Honourable Shri N. Gopalaswami Ayyangar: They refer to the new coaches. They will be delivered I think in the course of the year 1949-50 and possibly a portion in the year 1950-51.

Shri R. K. Sidhva: What is the number of fans fitted in a coach carrying 45 persons—one, two or three?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid I am unable to answer that very difficult question. I should like to have notice of it.

Seth Govind Das: Are these fans going to be distributed in every line or are they going to be fitted first on a particular line and then on other lines?

The Honourable Shri N. Gopalaswami Ayyangar: These new coaches?

Seth Govind Das: Yes.

The Honourable Shri N. Gopalaswami Ayyangar: They will be distributed on all the Railways as far as possible.

Shri H. V. Kamath: What are the reasons for discrimination in favour of women so far as fan-fitting is concerned?

The Honourable Shri N. Gopalaswami Ayyangar: I think women are entitled to that discrimination.

Mr. Frank Anthony: What capacity in the workshops is at present being taken up in remodelling Class I and Class II carriages?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid I must have notice.

Shri R. K. Sidhva: Is it not a fact that women have demanded equality of rights? Then why has this speciality been given to them?

Mr. Speaker: Order, order.

WELLS SUNK IN ARABLE AREAS

*1279. **Shri R. K. Sidhva:** Will the Honourable Minister of Agriculture be pleased to state how many wells have been sunk in arable areas in the country as a step in the "Grow More Food" Campaign?

The Honourable Shri Jairamdas Doulatram: According to the reports received from Provinces 124,492 wells have been sunk and repaired under the 'Grow More Food' Campaign since 1943.

Shri B. K. Sidhva: Will the Honourable Minister kindly give us the number of wells province-wise and also say in which Province the largest number of wells were sunk?

The Honourable Shri Jairamdas Doulatram: I would be able to supply the honourable member with details for all Provinces from year to year but I have not got the totals now with me. But I think the largest number was in Madras because the largest amount of money has been spent there; next is probably the East Punjab and then the United Provinces.

Shri B. K. Sidhva: Has any grant been given by us for this purpose?

The Honourable Shri Jairamdas Doulatram: Yes, we do give grants. We give 25 per cent. of the total expense, 25 per cent. is given by the Provinces and 50 per cent. by the local cultivators.

Sardar Bhopinder Singh Man: Do these wells include tube-wells also, and if so, what is the number of tube-wells sunk?

The Honourable Shri Jairamdas Doulatram: Tube-wells are not included; these are ordinary masonry wells.

Seth Govind Das: Is there any definite plan about these wells and is that plan prepared by the Provincial Government and then the Central Government is approached for the grant, or that plan has been approved by the Central Government?

The Honourable Shri Jairamdas Doulatram: These proposals come from the Provincial Governments, we approve of them, and then sanction the amount.

Shri Ram Chandra Upadhyaya: How many wells were sunk and how many repaired?

The Honourable Shri Jairamdas Doulatram: The number of new wells sunk was 89,524. Old wells which were repaired were 34,968.

Shri Ram Chandra Upadhyaya: May I know the number in the Matsya Union?

The Honourable Shri Jairamdas Doulatram: I am afraid I would require notice of that.

Shri L. Krishnaswami Bharathi: May I know whether Government propose to continue this scheme for the future also?

The Honourable Shri Jairamdas Doulatram: We do propose to encourage the construction of wells where they are needed.

Shri T. T. Krishnamachari: How much money was sunk on this scheme?

The Honourable Shri Jairamdas Doulatram: We sanctioned in all Rs. 9,77,00,000, and I do not think that was all sunk.

Dr. V. Subramaniam: What is the percentage of success, that is to say, in how many wells they were able to find water?

The Honourable Shri Jairamdas Doulatram: Well, the acreage covered by these is 2,09,376½ acres and the yield was 76,483 tons.

Dr. V. Subramaniam: I am not referring to the acreage. On digging in certain wells there may be water but in certain others rocks may be found after sinking. I want to know what is the percentage of effective success in digging these wells?

The Honourable Shri Jairamdas Doulatram: I can only give the yield, and as I said it was 76,483 tons.

Shri R. K. Sidhva: May I know whether we have given grants for the repair of wells also?

The Honourable Shri Jairamdas Doulatram: We do give grants on the repair of wells also, and I gave the number of old wells which were repaired.

Shri Kala Venkata Rao: Is it a fact that the Madras Government has made it a condition that in each well dug there should be at least six feet of water throughout the year?

The Honourable Shri Jairamdas Doulatram: That will be for the Madras Government to answer. I have no information.

Shri Moturi Satyanarayana: May I know the names of the Provinces that have failed to utilise the grants offered to them?

The Honourable Shri Jairamdas Doulatram: I do not think any Province has failed to utilise the grant. We do not give any lump-sum grant. Each individual scheme comes up for separate consideration and sanction. We do not allot any lump-sum from Province to Province. As I said, each individual allot any lump-sum from Province to Province. As I said, each individual will be irrigated what results will be expected, all that detail is included under individual schemes.

ACCUMULATION OF CLOTH IN MILLS

*1280. **Dr. Mono Mohan Das:** Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that the cloth mills of Madhya Bharat faced a closure in December, 1948 due to the locking up of their capital because of the accumulation of cloth and gave notice to their employees accordingly?

The Honourable Dr. Syama Prasad Mookerjee: This is probable, but only the Indore Mills gave notice of closure to their employees. The mills however, did not actually close.

Dr. Mono Mohan Das: Is it a fact that some of the mills in India are now facing a closure for want of raw cotton?

The Honourable Dr. Syama Prasad Mookerjee: It is altogether a different question.

Shri H. V. Kamath: How many such instances of capital or industry going on strike have occurred all over the country during the last year?

Mr. Speaker: That is much beyond the scope of the present question.

FISHING WITH POWERED VESSELS

*1281. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Agriculture be pleased to state the progress made in fishing with power driven vessels?

(b) Has any attempt been made to start deep-sea fishing?

(c) Is any research being done on the type of fishing nets and tackles required for fishing with motor vessels?

The Honourable Shri Jairamdas Doulatram: (a) For fishing successfully with power vessels, it is necessary to have detailed data about the fishing grounds, types of vessels and gear suitable for our waters, fishing seasons and fishing intensities in various regions of water, etc. To collect this data, Government of India have started a Pilot Deep-Seas Fishing Station at Bombay where a former naval vessel has been converted into a fishing boat This vessel has

been conducting actual fishing operations off the Bombay coast. Government of Bombay are also carrying on fishing operations with motor-fishing vessel and a large number of motorlaunches are also being employed as carrier vessels. Two private joint-stock companies are also carrying on fishing operations with powered vessels.

In Madras an old vessel 'Lady Nicholson' and 8 motor-fishing boats purchased from the Disposals Directorate are carrying on off-shore fishing operations.

In Travancore a 75 ft. motor fishing vessel is carrying on off-shore and deep-sea fishing operations, and a private joint-stock company has also acquired 4 or 5 vessels for a similar purpose.

In Baroda, a private company is being floated for off-shore fishing.

In Bengal and the Andamans, a number of companies have been, and are being, floated for carrying out fishing operations with power vessels.

(b) The Government of India's fishing trawler the 'Meena' and some of the other vessels mentioned under (a) above are engaging in deep-sea fishing.

(c) The Pilot Deep-Sea Fishing Station at Bombay mentioned above and special staff sanctioned for the Madras Fisheries Department are carrying out pilot experiments with nets and tackle used in trawling. Similar experiments in the use of seines and long lines are being conducted in Bombay, Madras and Travancore.

Shri H. V. Kamath: Is any research being conducted or are steps being taken to enable fishing in troubled waters not less than in placid waters?

Mr. Speaker: The question is not allowed.

Dr. Mono Mohan Das: May I know whether the West Bengal Government approached the Centre for fishing vessels?

The Honourable Shri Jairamdas Doulatram: Quite possibly, I am not aware of the correspondence.

Dr. Mono Mohan Das: Are vessels supplied or allotted to the Provincial Governments who approach the Centre?

The Honourable Shri Jairamdas Doulatram: There was no such allotment with regard to fishing vessels. If a province wants any assistance from the Centre in the matter of research or technical aid, we give it.

Dr. V. Subramaniam: What is the total tonnage of fish produced for commercial purposes?

The Honourable Shri Jairamdas Doulatram: So far our Bombay vessel is concerned, the yield was 175 tons, valued at about Rs. 70,000.

Dr. V. Subramaniam: What is the total tonnage of fish required for the population of our country?

The Honourable Shri Jairamdas Doulatram: We are at present producing 1½ crore maunds of fish, and we require about ten times more to meet our needs of consumption.

Sreematty Annie Mascarene: May I know whether deep-sea fishing is fitted with floating refrigerators?

The Honourable Shri Jairamdas Doulatram: We have in Bombay a refrigerator plant and I believe also in Madras.

Loss of Foodgrains due to Locust-Pests and Rust

***1282. Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Agriculture be pleased to state the quantity of basic food grains that have been lost due to locust-pests and rust during the years 1947-48 and 1948-49.

(b) What practical steps have been taken to combat these?

(c) In what areas were such tests made and what are the general results?

The Honourable Shri Jairamdas Doulatram: (a) No accurate estimate is available of the loss caused to food grains by all kinds of pests and diseases. At the Pest Infestation Conference held under the auspices of the F.A.O. in London in 1947, it was estimated that the over-all loss due to infestation in stored foodgrains in the world as a whole was about ten per cent.

(b) To prevent the damage done by locust, a permanent Locust Warning Organisation exists under the Ministry of Agriculture.

In 1946-47 the Ministry of Agriculture established a Plant Protection, Quarantine and Storage Directorate not only to deal with locust but also with all pests and diseases. This Directorate is taking the following steps to combat the damage caused by pests and diseases:—

(i) Assisting the Provinces and States to set up adequate plant protection organisations in their areas;

(ii) Assisting them in controlling outbreaks of pests and diseases on a large scale which is beyond the resources at their command;

(iii) Procuring from abroad and distributing pesticides machinery to Provinces and States;

(iv) Giving to Provinces and States information and timely warnings about the outbreaks of pests and diseases; and

(v) Preventing the entry of foreign pests and diseases which do not exist in India at present.

(c) During 1948-49, large scale operations were carried out against Rice Grasshopper in the Bombay Province, against Phadka in Ajmer-Merwara, diseases such as smuts in Delhi and Ajmer-Merwara by the method of seed treatment, mango and sugarcane pests in the U.P., monkey pest in Orissa, against a variety of pests and grasshoppers in Madras, and spraying operations for the control of blight in potato in West Bengal.

Mr. Speaker: I may say that this question was exhaustively gone into a few days back. So supplementaries may be put, taking that into consideration.

Shri V. C. Kesava Rao: May I know what are the areas where this pest menace is prevalent?

The Honourable Shri Jairamdas Doulatram: I have referred to all the areas. As a matter of fact, the pests which attack the crops make no difference between province and province.

Seth Govind Das: Is it a fact that the rust trouble still exists in many parts of the Central Provinces? What is being done to stop it? Do we give rust proof wheat to such areas where there is constant rust trouble?

The Honourable Shri Jairamdas Doulatram: We are trying as far as possible to supply the best variety of wheat which on the whole has withstood the rust pest, and that is Punjab Wheat called c591 we are making experiments. That variety of wheat is not enough for all the regions. As recommended by one of our specialists—Dr. Mehta—we have prohibited the cultivation of wheat in summer months and on hill areas, as the specialists say that if summer wheat is prohibited, there is less chance of the disease spreading.

Seth Govind Das: Is rust-proof seed being supplied chiefly to those areas where there is this rust trouble?

The Honourable Shri Jairamdas Doulatram: That is the idea.

Shri H. V. Kamath: How much foodgrain was lost or damaged owing to bad, inadequate or unscientific storage?

The Honourable Shri Jairamdas Doulatram: That can be only to a small percentage.

Dr. P. S. Deshmukh: Is it a fact that Dr. Mehta is working in some arts college, some non-technical college in Agra?

The Honourable Shri Jairamdas Doulatram: He has specialised in this subject in which he has been working for the last twenty years in the Agra College. Government is encouraging him in this work. He is one of our best specialists in the country.

Shri T. A. Ramalingam Chettiar: Is it a fact that the cultivation of wheat is prohibited in the Nilgris?

The Honourable Shri Jairamdas Doulatram: Yes, that is done as a protective step.

Shri T. A. Ramalingam Chettiar: Is it also a fact that there is no wheat rust in the Nilgris?

The Honourable Shri Jairamdas Doulatram: The wheat rust does not start where it actually appears. The disease does not start from where it appears. It starts from certain regions and then spreads. Therefore wheat is being prohibited in certain regions or heights from where it gradually spreads and attacks the plains. Therefore the disease is dealt with at the root.

Shri T. A. Ramalingam Chettiar: Where can it spread from the Nilgris, because there is no cultivation within three hundred miles?

The Honourable Shri Jairamdas Doulatram: It is said that these germs proceed along the direction of the wind or breeze and travel thousands of miles. This is what the scientists tell us.

Shri B. N. Munavalli: Are there any remedies for the pests of cotton?

The Honourable Shri Jairamdas Doulatram: Yes.

PRODUCTION OF SYNTHETIC PETROL

*1283. **Shri V. C. Kesava Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state the steps proposed to be taken for the production of Synthetic Petrol?

(b) Have preliminary investigations been conducted and if so, what are the general features of the proposed scheme?

The Honourable Dr. Syama Prasad Mookerjee: (a) A Committee set up by the Council of Scientific and Industrial Research having recommended the Fischer Tropsch Process as the most suitable process for gassification of coal and subsequent synthesis and liquefaction, an agreement has been concluded with Messrs. Koppers Company, Inc., of U.S.A. for the preparation by the Company of a project study of a scheme for producing synthetic oil from Indian coal in units with capacities per annum of 1,000,000 tons, 500,000 tons 250,000 tons and 100,000 tons each. The Company submitted their Preliminary Report on 16th October 1948 and their Final Report is expected to be ready by 31st March, 1949.

A further report on the Synthetic liquid fuels from coal prepared by the Foster Wheeler Corp., U.S.A. in association with the Texaco Development Corporation has since been received and is under examination of the Government expert.

The Government of Orissa who has undertaken an independent investigation in association with the National Petroleum Institute of France received a

Report from their Agents in Paris and passed it on to the Industry and Supply Ministry for examination. This report was, however, found scanty and has been returned for recasting.

The major decision with regard to the implementation of the scheme can only be taken after the various aspects of the problem have been fully studied by Government experts.

(b) Preliminary investigations have not yet been completed.

Shri Mahavir Tyagi: What was the expected production of the project which was submitted by the Orissa Government? Yours was one million tons. What was theirs?

The Honourable Dr. Syama Prasad Mookerjee: I have already said that the report has been sent back to the experts for further clarification. Theirs was on the basis of 100,000 tons production.

Shri Mahavir Tyagi: Is it a fact that your project which envisages one million tons is the biggest in the world?

The Honourable Dr. Syama Prasad Mookerjee: We have not yet settled whether our production will be for one million tons. We have asked for reports, including proposals for one million tons, 500,000 tons, 250,000 tons and 100,000 tons.

Shri Mahavir Tyagi: In view of the fact that there are possibilities in Orissa and elsewhere, why did not the Government of India start a smaller project rather than this big project?

The Honourable Dr. Syama Prasad Mookerjee: We have not started anything at all.

Mr. Speaker: The answer is very clear; they are investigating in all these forms and they have not decided anything.

Shri Biswanath Das: May I know whether the scheme prepared and presented by the Government of Orissa shows that manufacture is possible with far less investment than what is being given by the U.S.A. concerns and U.S.A. engineers?

The Honourable Dr. Syama Prasad Mookerjee: That is being examined now and we have asked for certain clarifications. As I said in my reply, the report has gone back to France.

TRANSPORT FACILITIES FOR SUGAR

***1284. Seth Govind Das:** (a) Will the Honourable Minister of Agriculture be pleased to state whether Government are aware of the fact that large stocks have accumulated in sugar factories for want of transport facilities?

(b) What efforts are being made for increasing the transport facilities?

The Honourable Shri Jairamdas Doulatram: (a) It is true that surplus stocks of sugar have accumulated at some of the sugar factories in United Provinces and Bihar out of last season's production, but this is mainly due to high prices of sugar which have resulted in a reduction in demand for sugar and not to want of movement facilities.

(b) Sugar has all along been given a high priority of movement by the Railways and the stock position is continually under watch by this Ministry with a view to remove any transport bottle-neck which may exist.

Seth Govind Das: May I take it, Sir, that there has been no trouble of transport as far as Sugar is concerned?

The Honourable Shri Jairamdas Doulatram: There has been trouble, but as I said, that is occasional and that is not itself responsible mainly for the

accumulation of the large stocks from last year's production. Here and there, there is difficulty and then that is gone into and removed. Only two days ago, there was a conference called at Kanpur with a view to remedy the transport difficulty with regard to Bihar factories on the O. T. Railway.

Shri R. K. Sidhva: The Honourable Minister stated that it is not due to want of transport facilities as far as (a) is concerned, but the high prices prevailing that this sugar has not been moving. May I know whether the manufacturers are hoarding sugar to realize high prices and do Government intend to take steps in that direction to bring down the prices?

The Honourable Shri Jairamdas Doulatram: They are not hoarding, but there is not much demand from the wholesale merchants at present.

Repair of Aerodrome at Jorhat

*1285. **Srijut Kuladhar Chaliha:** (a) Will the Honourable Minister of Communications be pleased to state whether the aerodrome at Jorhat (Rowriah) has been fully repaired and the airport is ready for use?

(b) If not, do Government propose to expedite the construction of the airport?

(c) Will airmails be carried to Jorhat and to Dibrugarh daily, and if so, when?

(d) Are Government aware that the industrial and commercial people are experiencing difficulty by not receiving mails quickly from other parts of India?

The Honourable Mr. Rafi Ahmad Kidwai: (a) and (b). The runway at Jorhat (Rowriah) is fully serviceable and is actually in use by non-scheduled aircraft on flights from Calcutta and beyond. Other facilities will be provided at this aerodrome depending on the demand from air transport operators and the availability of funds.

(c) The carriage of air mails direct to Jorhat will be considered when there is a regular air service calling at this place. Air mails are now conveyed direct to Mohanbari (Dibrugarh) on five days in the week.

(d) No such complaints have so far been received. The air mail service connections with the rest of India offer expeditious transit of mails if sent by air. The question of expediting the transit of surface mails to Assam by utilising the pre-partition route through East Pakistan is also under consideration.

Srijut Robini Kumar Chaudhuri: May I know if wireless arrangements are provided in the aerodromes of Jorhat and Dibrugarh?

The Honourable Mr. Rafi Ahmad Kidwai: It has not yet been provided, but arrangements are being made.

Srijut Kuladhar Chaliha: May I ask when will the arrangements be completed and when we will have the installation?

The Honourable Mr. Rafi Ahmad Kidwai: As soon as we decide to start scheduled services, there will be no delay on account of equipment. We have got them ready.

Development of Fisheries in Lake Chilka, Orissa

*1286. **Srijut Kuladhar Chaliha:** Will the Honourable Minister of Agriculture be pleased to state whether Government have taken steps to develop the rearing of sea fish in lake Chilka in the Province of Orissa?

The Honourable Shri Jairamdas Doulatram: Development of the Fisheries of the Chilka Lake is the direct responsibility of the Government of Orissa, but the Fisheries Research staff of the Central Government is carrying out investigations into the measures that should be adopted for the development of fisheries of brackish and freshwater fish in the lake.

Srijut Kuladhar Chaliha: Is it not a fact that it is one of the best inland lakes for rearing fish under controlled conditions?

The Honourable Shri Jairamdas Doulatram: Yes, it is.

Srijut Kuladhar Chaliha: Will the Government of India see to the starting of a fish rearing station there?

The Honourable Shri Jairamdas Doulatram: The Government of India has been encouraging the development of fishery in that lake.

Shri Biswanath Das: Apart from encouraging in words the development of rearing of fish in the Chilka lake, may I know what possible steps have been taken in this regard? Does the Government know that the Government of Orissa themselves feel that there is a depletion of the quantity and quality of the fishery wealth of the lake?

The Honourable Shri Jairamdas Doulatram: I believe the Orissa Government are encouraging the co-operative societies of fishermen to fish in the Chilka Lake. So far as I know, they have handed over their own share to the co-operative societies.

ROBBERIES IN RUNNING TRAINS

*1267. **Dr. Mono Mohan Das:** (a) Will the Honourable Minister of Railways be pleased to state how many robberies by armed men have been committed in running trains during the year 1948?

(b) What was the total loss of lives and properties in these robberies?

(c) In how many cases have the culprits been detected by the Police and convicted?

The Honourable Shri N. Gopalaswami Ayyangar: (a) Twenty-four cases of armed robberies have occurred during the current financial year up to 28th February, 1949 over the Indian Government Railways.

(b) Eight lives were lost in these robberies. The loss of property involved is estimated at Rs. 31,200.

(c) In one case the culprits have been convicted, in nine other cases the persons charge-sheeted are undergoing trial by courts.

Dr. Mono Mohan Das: May I know, Sir, what compensation is given by the railways to the victims of these robberies and for the lives that have been lost in the robbery?

The Honourable Shri N. Gopalaswami Ayyangar: I have no information on that point available to me at present. I shall make enquiries.

Dr. Mono Mohan Das: What steps have been taken by the Railways to stop such incidents of robbery, Sir?

The Honourable Shri N. Gopalaswami Ayyangar: We have taken a number of steps. We provide police escorts on certain trains. We also have staff who go about to see that everything is safe before the train starts and we have called upon Railway Administrations to make out a list of particularly dangerous spots from this point of view with a view to take special steps to guard against robberies of this kind in those particular areas. We are receiving the reports, and they are being considered. Any special steps that may be required will be taken.

Dr. Monc Mohan Das: May I know, Sir, whether there is any record of cases in which the Railways paid compensation for these robberies, for loss of life and loss of property?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid, I am not in a position to give an answer straightaway.

Srijut Rohini Kumar Chaudhuri: Arising out of answer to (b), in estimating the value of the properties lost, has the Government taken into consideration the loss of valuable documents of public importance?

The Honourable Shri N. Gopalaswami Ayyangar: Presumably the honourable member is referring to the documents lost by a colleague of his in this House.

Shri H. V. Kamath: According to reports received by the Honourable Minister do these railway robbers follow a uniform technique or *modus operandi* in committing these robberies or does it vary?

The Honourable Shri N. Gopalaswami Ayyangar: I think, *prima facie* it should vary; if they followed a uniform technique, they will be more easily discovered.

Shri H. V. Kamath: Have any safety devices been introduced to make the carriages robber-proof?

The Honourable Shri N. Gopalaswami Ayyangar: We have mechanical arrangements as regards catches and so on, in the carriages, and if they are properly fastened, they are a fair protection.

Mr. Homi Mody: Is the Honourable Minister aware that these catches and other safety devices which he has referred to are generally out of order and it is on that account that most of these robberies are made possible? I speak from personal experience.

The Honourable Shri N. Gopalaswami Ayyangar: I am willing to concede that some of these catches are out of order, but so far as robberies are concerned, I do not think the robbers really select the compartments where the catches are out of order. They can make the catches go out of order, before they enter.

Seth Govind Das: May I ask whether these robberies are less in 1948 than in 1947? Has their number increased?

The Honourable Shri N. Gopalaswami Ayyangar: I should like to have notice.

Mr. Frank Anthony: Sir, is Government contemplating any special measures to make travelling particularly at night more safe for women passengers?

The Honourable Shri N. Gopalaswami Ayyangar: I think one of the standing directions to the special police escort provided for trains is that they should look after the women's compartments particularly.

Shri M. Tirumala Rao: May we know on which railways are the robberies the largest in number?

The Honourable Shri N. Gopalaswami Ayyangar: The largest number was on the G.I.P. Railway.

Shri R. K. Sidhva: The Honourable Minister stated that the trains carry police escorts. May I know whether these escorts are maintained by the Provinces or by the Government of India and whether they are efficient?

The Honourable Shri N. Gopalaswami Ayyangar: Whether they are efficient or not is a matter of opinion.

Mr. Speaker: Questions as to opinion cannot be asked.

INDIAN PEOPLE'S FAMINE TRUST

*1288. **Shri Moturi Satyanarayana:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the amount of balance money now in the 'Indian People's Famine Trust';

(b) the amount that accrued to this Trust during the last 5 years;

(c) the amount spent on relief of famine areas during the last 5 years, and the regions where it was spent;

(d) whether any amount is diverted from this fund in undertaking any big projects that incidentally help in famine relief; and

(e) if so, how much has been diverted during the last 10 years and on what schemes and projects and with what results?

The Honourable Shri Jairamdas Doulatram: (a) Rs. 34,51,455. Only the interest can be spent.

(b) and (c). Statements showing the amount accrued to the trust and the grants made for relief of famine in the different regions during the last five years are laid on the table of the House.

(d) No.

(e) Does not arise.

STATEMENT I

Grants made to Provinces and Indian States during the last five years (1944 to 1948) and the regions for which the grants were given.

Name of the Province or the State	1944	1945	1946	1947	1948	Regions for which the grants were given
Madras	..	..	1,00,000	..	*Nil*	Districts of Bellary and Anantapur.
Bengal	..	50,000 (a)	50,000 (b)	..	,,	(a) (b) Province of Bengal
Assam				50,000	,,	Districts of Sylhet, Cachar, Lakhimpur, Darrang Sibsagar, Nowgong and Kamrup.
Jaipur State	10,000				,,	Tehsil Todaraisingh of Jaipur State territory.
Shahpura State	10,000				,,	40 villages in the Northern part of the Shahpura State.
Mewar State	20,000				,,	Asind, Hurda, Bednore sub-districts in Mewar State.
Total	40,000	50,000	1,50,000	50,000 TOTAL	..	Rs. 2,90,000

STATEMENT II

Amount that accrued to the Indian people's famine trust during the last five years (1944 to 1948)

	1944	1945	1946	1947	1948	
Interest on Endowment Fund	1,14,147	1,14,147	74,186 (a)	1,34,886 (a)	48,920 (b)	(a) A sum of Rs. 37,046 representing interest pertaining to the year 1945 was credited to the account of the Trust in January 1947.
Yield from investment of floating balances	424	1,272	1,569	2,000	1,588	

	1944	1945	1946	1947	1948	
Unspent balance of the grants refunded to the Trust		6,116			307	(b) Interest amounting to Rs. 48,920 due on 16-9-48 was credited to the account of the Trust in January 1949.
Redeemed amount of temporary investment				3,200		
TOTAL	1,14,571	1,21,535	75,755	1,40,086	50,815	

TOTAL . Rs. 5,02,762

Shri H. V. Kamath: Is any money being spent at present on the various scarcity areas or areas threatened with famine?

The Honourable Shri Jairamdas Doulatram: We have donated about two lakhs of rupees for Gujerat and Sourashtra areas. Grants for other areas will be made shortly.

Shri S. V. Krishnamoorthy Rao: What is the interest accruing every year to this Trust?

The Honourable Shri Jairamdas Doulatram: I think about a lakh of rupees.

Shri S. V. Krishnamoorthy Rao: Is any addition being made every year to this Trust?

The Honourable Shri Jairamdas Doulatram: No. This grant was originally made by the Maharaja of Jaipur and we have allowing the interest thereon to accumulate.

CROP INSURANCE

*1289. **Shri Moturi Satyanarayana:** Will the Honourable Minister of Agriculture be pleased to state:

(a) whether any measures have been or are being undertaken for insurance of (i) cereals, (ii) commercial crops and (iii) roots; and

(b) whether Government propose to enunciate their policy regarding crop insurance?

The Honourable Shri Jairamdas Doulatram: (a) and (b). The attention of the honourable member is invited to reply to Question No. 499 on the 18th February, 1949.

Seth Govind Das: Is it not a fact that this crop insurance has been successful in one of the States which has now merged with some Province and have Government taken steps to have that experiments in some other provinces also?

The Honourable Shri Jairamdas Doulatram: This whole question has been very carefully gone into and all the provincial and State Governments have been asked to give their opinion on it. Without getting their opinions we cannot develop the scheme. We are awaiting their reports.

Seth Govind Das: By what time the recommendations of the Provinces are expected to be received?

The Honourable Shri Jairamdas Doulatram: No date has been fixed for the receipt of such reports. We can ask the Governments concerned to submit their reports within three months.

DISCOURAGING COMMERCIAL CROPS

*1290. **Shri Moturi Satyanarayana:** Will the Honourable Minister of Agriculture be pleased to state:

(a) whether Government have any plans for discouraging commercial crops with a view to make larger areas of land available for food grains; and

(b) if so, what are the commercial crops chosen to be discouraged?

The Honourable Shri Jairamdas Doulatram: (a) and (b). The question of diverting some surplus area from commercial crops is being examined by Government. It is not possible to indicate the names of the crops until the examination is completed.

Shri M. Tirumala Rao: Have Government any definite plan for having a certain portion of cultivated land being allotted for particular crops from year to year?

The Honourable Shri Jairamdas Doulatram: No. Not at present.

Shri Moturi Satyanarayana: Will Government consider the desirability of introducing such a plan now in view of the food scarcity?

Mr. Speaker: That is a suggestion.

Shri Raj Bahadur: Do Government propose to discourage import duties?

The Honourable Shri Jairamdas Doulatram: My Ministry is not concerned with import or export duties.

Shri Moturi Satyanarayana: Have Government any plans to see that lands are used for growing commercial crops less and less?

The Honourable Shri Jairamdas Doulatram: Our idea on the contrary is to increase the acreage under food grains without reducing the acreage under essential commercial crops. We want to increase the acreage under cotton and jute and useful commercial crops in which we have deficit.

Seth Govind Das: Are Government going to fix in the new lands that are to be brought under cultivation that a certain area should be used only for food crops?

The Honourable Shri Jairamdas Doulatram: Yes, that is our intention.

CATTLE INSURANCE

*1291. **Shri Moturi Satyanarayana:** Will the Honourable Minister of Agriculture be pleased to state:

(a) whether Government have any plans for cattle insurance in India;

(b) whether Government propose to give relief to farmers who lose their young and serviceable cattle on account of accidental death or epidemics; and

(c) if so, what the details of the proposal are?

The Honourable Shri Jairamdas Doulatram: (a) to (c). An Officer on Special Duty was appointed in the Ministry of Agriculture in August, 1948 to study the problems of Crop and Cattle Insurance in all its aspects and to put up a pilot scheme for Crop and Cattle Insurance in selected areas. The Officer is now engaged in studying the various aspects of the problem of Cattle Insurance with a view to evolving a pilot scheme to operate in certain selected areas.

Seth Govind Das: Have any proposals been asked for so far as Cattle Insurance is concerned from the Provinces?

The Honourable Shri Jairamdas Doulatram: After the report is received, it will be sent to the Provinces and their recommendations invited.

Shri Moturi Satyanarayana: Is any Crop Insurance report called for?

The Honourable Shri Jairamdas Doulatram: There is a report. I am prepared to have copies of it circulated to the members.

Shri Moturi Satyanarayana: What is the gist of the report?

The Honourable Shri Jairamdas Doulatram: The gist of the report is that certain crops such as wheat, rice, cotton and sugarcane might be made the subject of special effort for insurance in selected areas. The details have to be worked out when we get recommendations from the Provinces.

Prof. Shibban Lal Saksena: How long has this officer been engaged on this work?

The Honourable Shri Jairamdas Doulatram: He was appointed in August 1948 and has been on this duty for the last eight months.

Shri Mohan Lal Gautam: Has be any experience of insurance work?

The Honourable Shri Jairamdas Doulatram: Yes. He has experience of insurance work?

Shri Mahavir Tyagi: Have the Government considered the question of supplying bullocks to peasants in an instalment basis? That is akin to insurance. Paying of capital is also a kind of insurance.

The Honourable Shri Jairamdas Doulatram: I would not be able to make any statement at this stage, because the whole matter is at present being investigated. It would be premature to say anything now.

Shri Mahavir Tyagi: Has it come to the notice of Government that, on account of epidemics, cattle die and it becomes difficult for the peasants to grow food crop and help 'grow more food' campaign?

The Honourable Shri Jairamdas Doulatram: It has come to our notice.

Shri M. Tirumala Rao: Has he experience of cattle insurance done in America?

The Honourable Shri Jairamdas Doulatram: No. But he is studying the scheme at work in the United States.

Shri R. K. Sidhva: What are his qualifications?

The Honourable Shri Jairamdas Doulatram: I have not got them with me. I can give the information later.

Scales of Pay of Station Masters, Assistant Way Inspectors and Sub-Inspectors of Works in Railways

*1232. **Shrimati Dakshayani Velayudhan:** (a) Will the Honourable Minister of Railways be pleased to state what is the scale of pay fixed for the Station Master on duty, Assistant Way Inspector and the Sub-Inspector of Works of the Railway department?

(b) What are the minimum qualifications prescribed for these three categories of employees?

(c) Are the three categories of employees entitled to weekly holidays?

The Honourable Shri K. Santhanam: (a) to (c). A statement containing the information is laid on the table of the House.

STATEMENT

(a) The following six scales have been prescribed for Station Masters.

(1) 300—20—400.

(2) 260—15—350.

(3) 200—10—300.

(4) 150—7—185—8—225

(5) 100—5—125—6—155 (EB)—6—185.

(6) 64—4—120 (EB)—5—170

The scale fixed for the posts of Assistant Permanent Way Inspector and Sub-Inspector of Works is 150—7—185—8—225.

(b) The minimum educational qualification prescribed for Station Masters and Assistant Permanent Way Inspectors is the Matriculation or School Leaving Certificate Examination of a recognised University, or an equivalent examination. The minimum qualification for a Sub-Inspector of Works is the Upper Subordinate Class Examination at Roorkee, or an equivalent examination of any other recognised Engineering School or College.

(c) By Weekly Holidays, it is assumed that the honourable member means a weekly period of rest. This weekly rest is arranged for such Station Masters as are classified as "continuous workers" under the Hours of Employment Regulation. Station Masters who are classified as "intermittent workers" are not entitled to such regular weekly rest.

An Assistant Permanent Way Inspector, or a Sub-Inspector of Works is free within certain limits to adjust his hours of duty with the nature of his work and usually does obtain a weekly day of rest, except in emergencies.

AIR COMPANIES OPERATING IN INDIA

†*1293. **Shri Ajit Prasad Jain:** Will the Honourable Minister of Communications be pleased to state:

(a) the number and names of Air Companies operating in the Indian Dominion and the area of their operation;

(b) the number and names of the Air Companies which have ceased to operate since the 15th August, 1947;

(c) which of these companies are working on profit;

(d) the reasons for the failure of most of these companies to work on profit basis; and

(e) what steps, if any, Government propose to take to stabilise the position of these companies?

The Honourable Mr. Rafi Ahmad Kidwai: (a) I lay on the table a statement giving the required information.

(b) Two, namely Jupiter Airways and Ambica Airlines.

(c) According to the latest available balance sheets of the Companies, only one Company namely Air India Limited has been operating at a profit.

(d) The reasons for the failure of most of these Companies to work on a profitable basis have been mainly,—the possession of larger fleets of aircraft than necessary for their operations, and the operation of unremunerative routes.

(e) The Government propose to grant a rebate of half the duty on aviation petrol and to introduce an 'All up' air mail scheme which will greatly improve the revenue load available to the Airline Companies. These combined with the progressive development of freight and passenger traffic are expected to improve their financial position.

STATEMENT

Showing the number, names of Air Transport companies and Routes operated by them.

1	Air India Ltd., Bombay	Bombay—Calcutta Bombay—Ahmedabad—Jaipur—Delhi Bombay—Delhi Bombay—Ahmedabad—Karachi Bombay—Hyderabad—Madras—Colombo Bombay—Madras Bombay—Karachi Madras—Bangalore—Coimbatore—Cochin—Trivandrum.

†Answer to this question laid on the table, the questioner being absent.

2	Indian National Airways Ltd., New Delhi	Delhi—Lahore Delhi—Jodhpur—Karachi Delhi—Calcutta Calcutta—Rangoon
3	Air Services of India Ltd., Bombay	Bombay—Keshod—Porbandar—Jamnagar Bombay—Jamnagar—Bhuj—Karachi Bombay—Indore—Gwalior—Delhi. Bombay—Bhavnagar Jamnagar—Bhavnagar—Ahmedabad Jamnagar—Mandvi
4	Indian Overseas Airlines Ltd., Bombay	Bombay—Nagpur—Calcutta Bombay—Nagpur—Calcutta (Night Airmail) Delhi—Nagpur—Madras (Night Airmail)
5	Airways (India) Ltd., Calcutta	Calcutta—Bhubaneswar—Vizagapatam Madras—Bangalore Calcutta—Dacca Calcutta—Bagdogra—Gauhati—Mohanbari
6	Bharat Airways Ltd., Calcutta	Calcutta—Patna—Banaras—Lucknow—Delhi Calcutta—Gaya—Allahabad—Kanpur—Delhi Delhi—Amritsar Calcutta—Chittagong
7	Dalmia Jain Airways Ltd., Calcutta	Delhi—Amritsar—Jammu—Srinagar Srinagar—Amritsar (Freight only)
8	Deccan Airways Ltd., Hyderabad (Deccan)	Madras—Hyderabad—Nagpur—Bhopal—Delhi Hyderabad—Bangalore Hyderabad—Bombay Madras—Bezwada—Madras
9	Air India International Ltd., Bombay	Bombay—Cairo—London

PRODUCTION, CONSUMPTION AND EXPORT OF SAFET MATCHES

*1294. **Shri S. V. Krishnamoorthy Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what is the annual production of safety matches in India before partition and after partition?

(b) What is the quantity required for consumption in India?

(c) What is the quantity exported outside India during the period from 1st March, 1948 to 31st December, 1948?

The Honourable Dr. Syama Prasad Mookerjee: (a) 506.221 and 620,000 cases of 50 gross boxes each in 1946 and 1948 respectively.

(b) About 550,000 cases of 50 gross boxes.

(c) Approximately 479,145 gross boxes.

Shri S. V. Krishnamoorthy Rao: Is it a fact that the Indian manufacturer finds it difficult to export matches outside India?

The Honourable Dr. Syama Prasad Mookerjee: We have allowed unrestricted export to Pakistan for three months, up to March 1949, and for the other destinations we have increased to 49,000 cases.

Shri H. V. Kamath: Is it a fact that in Mysore matches are packed in boxes of 50 and if so, whether, under clause [illegible] of the Finance Bill which standardizes match boxes of 40 and 60 only, Mysore match makers will not suffer?

Mr. Speaker: Order, order. It will be a matter of opinion.

FACILITIES FOR EXPORT OF SAFETY MATCHES

*1295. **Shri S. V. Krishnamoorthy Rao:** (a) Will the Honourable Minister of Industry and Supply be pleased to state what facilities, if any, Government have given to the Indian Match Factories to export safety matches outside India?

(b) Is the export to countries other than Pakistan free from duty?

The Honourable Dr. Syama Prasad Mookerjee: (a) Government have been allowing the Indian Match Industry an export quota to maintain contacts with neighbouring markets even though there is little or no exportable surplus in the country. Last year, an export quota of 40,000 cases was fixed for all destinations. This year exports to Pakistan have been decontrolled as an experimental measure while for other countries there is a quota of 40,000 cases.

(b) A rebate of excise duty is allowed on export to all countries except Pakistan and exports made by land to Portuguese Possessions in India.

Shri S. V. Krishnamoorthy Rao: Will this rebate be allowed on exports to Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: That matter is now under examination in the Finance Ministry.

Dr. Mono Mohan Das: May I know what percentage of raw materials for the manufacture of matches which is imported from foreign countries?

The Honourable Dr. Syama Prasad Mookerjee: We import Potassium Chloride 2220 tons, Phosphorus 170 tons and sulphur 220 tons.

Shri S. V. Krishnamoorthy Rao: May I know on what basis this export quota is allowed to the several factories?

The Honourable Dr. Syama Prasad Mookerjee: I do not think it is limited to factories as such. The quota is there and it is open to anybody who is in a position to take advantage of it.

Shri S. V. Krishnamoorthy Rao: Will it be allowed on the exportable surplus stock with the manufacturers?

The Honourable Dr. Syama Prasad Mookerjee: We have allowed free export so far as Pakistan is concerned and as for other countries the total quantity that can be exported is restricted to 40,000 cases.

Shri S. V. Krishnamoorthy Rao: I want to know if the export will be allowed on the exportable surplus stock with the manufacturers.

The Honourable Dr. Syama Prasad Mookerjee: That I believe the Honourable Minister of Commerce will be able to answer.

Shri L. Krishnaswami Bharathi: May I know if Pakistan is taking advantage of the free export quota and whether she is actually receiving the quantity, or whether there are any difficulties in the export from India?

The Honourable Dr. Syama Prasad Mookerjee: We have allowed unrestricted export only for the last six days; so it is too early to say anything more.

Shri Mahavir Tyagi: May I know if these free exports to Pakistan have been allowed with a view to give encouragement to the industry or because there is some adverse balance of trade against Pakistan?

The Honourable Dr. Syama Prasad Mookerjee: We used to supply safety matches to the areas which have now fallen within Pakistan and we do not want to lose that market.

Dr. P. S. Deshmukh: Is there any prospect of the match prices going down in the near future?

The Honourable Dr. Syama Prasad Mookerjee: If the honourable member uses less, perhaps they will.

Shri S. V. Krishnamoorthy Rao: Has it come to the notice of the Government that some of the cottage match factories in South India have closed down because they cannot export their stock?

The Honourable Dr. Syama Prasad Mookerjee: About twenty such factories on cottage industry basis have closed down. The honourable member will find that certain extra privileges are proposed to be given under the Finance Bill which is now under examination.

DEPARTMETAL CATERING AT KHARAGPUR RAILWAY STATION

*1296. **Shri Mohanlal Gautam:** (a) Will the Honourable Minister of Railways be pleased to state whether departmental Indian Catering was suspended at Kharagpur in the year 1931 and subsequently handed over to individual contractors and if so, why?

(b) When did the Bengal Nagpur Railway again take over the catering at Kharagpur departmentally and for what reasons?

(c) Is it a fact that the charges at Kharagpur station for various food materials are the same as at other stations?

(d) Is the Departmental Catering at Kharagpur running on loss or on gain?

(e) What are the reasons for extending Departmental Catering to Gondia Station (Bengal Nagpur Railway)?

The Honourable Shri K. Santhanam: (a) Yes. This was done as a measure of economy during the world depression which commenced in 1930-31.

(b) Departmental catering was resumed in October 1939, when normal conditions were restored and prices atabilised.

(c) Yes.

(d) At a gain.

(e) There is at present no proposal for the extension of departmental catering to Gondia.

Seth Govind Das: What has been the result of this departmental catering—has it been profitable or has it been at least self-supporting?

The Honourable Shri K. Santhanam: Generally in the S.I., M.S.M. and B.N.R. departmental catering has been self-supporting and generally satisfactory.

Seth Govind Das: I was asking about this particular place.

The Honourable Shri K. Santhanam: I presume it has been satisfactory.

Seth Govind Das: Has it been self-supporting in Kharagpur?

The Honourable Shri K. Santhanam: I said in answer to (b) that it has been running at a gain.

Shri M. Tirumala Rao: Is it a fact that the B.N.R. was losing some lakhs of rupees on its Restaurant Cars which it is going to make up by running hotels in Puri and other places?

The Honourable Shri K. Santhanam: I require notice of this question. It is not covered by this particular question.

Mr. Frank Anthony: Is it a fact that under the new system of division between Vegetarian and Non-Vegetarian Refreshment Rooms, the Railway Administration has issued instructions to Non-Vegetarian Refreshment Rooms not to serve essential vegetarian meals like rice and so forth?

The Honourable Shri K. Santhanam: I have no information. I am afraid I should require notice.

Shri H. V. Kamath: Does the B.N.R. catering serve meals in Indian style as the G.I.P. does?

The Honourable Shri K. Santhanam: All Railways serve meals of Indian style now.

LICENCE FEE FROM CATERING CONTRACTORS ON B. N. RAILWAY

*1297. **Shri Mohan Lal Gautam:** (a) Will the Honourable Minister of Railways be pleased to lay a statement on the table of the House showing the amount of Licence Fee realised from Indian Catering Contractors on the Bengal Nagpur Railway during the financial years 1933-34, 1935-36, 1937-38, 1940-41, 1944-45 and 1948-49?

(b) What is the amount of licence fee to be realised from Indian Catering Contractors as per revised arrangements to be introduced on and from 1st April 1949?

(c) What is the basis of their calculation?

The Honourable Shri K. Santhanam: (a) A statement giving the required information is laid on the table of the House.

(b) and (c). This is still under consideration.

STATEMENT

Year	Amount of license fee realised from Indian Catering Contractors over the Bengal Nagpur Railway
	Rs.
1933-34	96,671
1935-36	75,371
1937-38	76,877
1940-41	65,869
1944-45	65,211
1948-49	72,360 (approximate

Shri R. K. Sidhva: What is the total amount realised from this licence fees?

The Honourable Shri K. Santhanam: On the B.N.R. it was approximately Rs. 72,360 in 1948-49.

LICENCE FEE FROM INDIAN CATERING CONTRACTORS ON RAILWAYS

*1298. **Shri Mohan Lal Gautam:** Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that licence fee from Indian catering contractors on the East Punjab, East Indian, Oudh and Tirhut, Bombay, Baroda and Central India Railways is charged according to class of stations and the number of hawkers employed by individual contractors;

(b) whether it is a fact that exorbitant licence fee is being demanded by the Bengal Nagpur Railway from their existing Indian catering contractors after serving notice of termination of their existing agreements; and

(c) in view of the difficulties experienced by third class passengers in paying over charges as a result of enhanced licence fees, will Government consider the advisability of enquiring into these matters?

The Honourable Shri K. Santhanam: (a) The Indian Catering Contractors on the railways mentioned by the honourable member are charged license fee according to the importance of the station.

(b) Government are informed that the question of revising license fees is still under the consideration of the Railway Administration but that only reasonable and fair fees are envisaged.

(c) No fees will be charged which will necessitate enhancement in the price of foodstuffs.

Shri Mahavir Tyagi: Have instances come to the notice of the Government where these contractors who have been given licences for catering on these stations have given sub-leases and sub-contracts to vendors and are realizing exorbitant fees from those vendors?

The Honourable Shri K. Santhanam: Such complaints have come in and they have been taken notice of, and in many places those who are sub-letting their contracts have been discharged and new contracts are being given to others who won't sublet their contracts.

Shri Mahavir Tyagi: I want to know why the Government is giving the contract to one man in the place of giving it to all these different vendors independently.

Mr. Speaker: I am afraid it is going into administrative details unnecessarily.

Prof. Shibban Lal Saksena: Will the Honourable Minister consider the possibility of giving contracts to the vendors themselves if they come in a body or individually?

The Honourable Shri K. Santhanam: According to the Resolution of the Central Advisory Council for Railways, local vendors are to be preferred to financiers and other speculators.

Shri M. Tirumala Rao: Is it a fact that the B.N.R. authorities want to make profit out of these vending contracts irrespective of the consideration whether the food will become costlier to the travelling public?

The Honourable Shri K. Santhanam: No, Sir. These refer to other than B.N. Railway. So far as I am aware . . .

Shri M. Tirumala Rao: I am referring to part (b) in 1298. It refers to B. N. Railway.

The Honourable Shri K. Santhanam: I do not think the fees are exorbitant. In fact, the complaint is that the fees are nominal and the contractors are making large profits.

Shri Mohan Lal Gautam: With regard to answer (c), is it the intention of the Government not to allow any enhancement so far as these foodstuffs on these stations are concerned?

The Honourable Shri K. Santhanam: Yes, Sir. Of course, if the prices of foodstuffs themselves have risen in the market, we will have to fix in accordance with them, but it will be ensured that the fees charged will not be such as to increase the price of foodstuffs.

Seth Govind Das: Has Government fixed any maximum food rates when the licence fees have been increased?

The Honourable Shri K. Santhanam: Each Railway Administration fixes the schedule of rates at which things are to be sold at each station.

Dr. Mono Mohan Das: May I know whether any special facility has been given to the refugees so far as these contracts are concerned?

The Honourable Shri K. Santhanam: Yes, Sir. They are given some kind of preference and that is causing protests from local people.

Shri Arun Chandra Guha: Will Government consider the advisability of taking over this catering by the Department itself?

The Honourable Shri K. Santhanam: The Indian Railway Enquiry Committee have suggested that this should be a long term programme and

immediately it need not be extended. This policy was accepted by the Central Advisory Council for Railways.

Mr. Speaker: The Question Hour is over.

(b) WRITTEN ANSWERS

RATES FOR AERATED WATERS ON RAILWAYS

*1299. **Shri Mohan Lal Gautam:** Will the Honourable Minister of Railways be pleased to state:

(a) the rates charged for soda and lemonade on the Bengal Nagpur Railway train services and the rates charged by contractors employed for sale of aerated waters on the East Indian, Great Indian Peninsular, East Punjab and Oudh and Tirhut Railways;

(b) whether it is a fact that the Bengal Nagpur Railway owns a factory for manufacturing aerated waters at Kharagpur;

(c) if so, the net profit earned by this factory during the financial year 1947-48 and also the calendar year 1948; and

(d) whether the existing factory is satisfactorily meeting the entire demand of the public during the season?

The Honourable Shri K. Santhanam: (a) A statement giving the required information is laid on the table of the House.

(b) Yes.

(c) Owing to partition the accounts for 1947-48 have not yet been finally closed. It is, however, understood that there is likely to be a loss of approximately Rs. 1,000 for the year 1947-48. Separate accounts for calendar years are not maintained.

(d) Yes.

STATEMENT

The following rates are charged for the sale of soda and lemonade in trains:

	Soda. As.	Lemonade As.
B. N. Railway	2-6	4-0
E. I. Railway (Sealdah Divn.)	1-6	2-3
E. I. Railway (other than Sealdah Division)	1-6	2-6
G. I. P. Railway	1-9	2-6
O. T. Railway	2-6	3-6
E. P. Railway	1-6	2-1

WORKING OF CATERING DEPARTMENT ON B. N. RAILWAY

*1300. **Shri Mohan Lal Gautam:** Will the Honourable Minister of Railways be pleased to state:

(a) whether it is a fact that the Deputy General Manager (Food) on the Bengal Nagpur Railway controls grain shops, departmental catering and the aerated water factory;

(b) whether the Grainshop Enquiry Committee appointed by Government looked into the working of the catering department on the Bengal Nagpur Railway and if not, whether Government propose to make an enquiry about it?

The Honourable Shri K. Santhanam: (a) Yes.

(b) No. There is no reason adduced to make any inquiry. The working of the grainshops has been simplified since 1st January under the revised scheme.

ESTABLISHMENT OF ALUMINIUM FACTORY IN C. P. AND BERAR

*1301. Prof. K. T. Shah: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether Government are aware of a scheme to establish an Aluminium Industry in the Central Provinces and Berar, as a public enterprise, or in association with a private concern as Managing Agents?

(b) Has any support, assistance and co-operation been promised by the Government of India to the Provincial Government, or to the private concern appointed as Managing Agents, to encourage this enterprise and if so, in what form, to what extent and for how long?

(c) Is any initial or working capital to be provided for this venture by Government and if so, how much, or in what proportion, by the Government of India or by the Provincial Government, or is it to be raised by private subscription to the Company's shares?

The Honourable Dr. Syama Prasad Mookerjee: (a) Yes, Sir, I however understand that the Provincial Government are now considering whether the proposed factory should not be run exclusively as a State-owned concern.

(b) Besidee sanctioning the issue of Capital to the extent of Rs. 5 crores, the Provincial Government was promised all possible assistance in regard to procurement of raw materials and capital equipment and machinery.

(c) Out of the authorised capital of Rs. 5 crores, the Government of C. P. and Berar wanted to subscribe shares to the value of Rs. 1·5 crores leaving the balance to be subscribed by the public. The Government of India have not taken any shares.

PROSPECTS OF ALUMINIUM INDUSTRY IN C. P. AND BERAR

*1302. Prof. K. T. Shah: (a) Will the Honourable Minister of Industry and Supply be pleased to state whether the attention of Government has been drawn to the statement reported in the press, and attributed to the Director-General of Industry and Supply, regarding the suitability and prospects of success, as a commercial venture, of Aluminium Industry in the Central Provinces and Berar?

(b) What are the estimates of Bauxite available in the several Provinces and States of India?

(c) What place do the Central Provinces and Berar occupy in these estimates?

The Honourable Dr. Syama Prasad Mookerjee: (a) I understand that the statement made by the Director General of Industry and Supply was that "the resources of C.P. if developed can make it one of the largest producers of bauxite".

(b) and (c). A statement is laid on the table of the House.

STATEMENT

	Approximate quantity of reserves of high grade bauxite.
	(Tons)
Central Provinces	15,100,000
Eastern States Agency	9,879,000
Bihar	5,230,000

	(Tons)
Madras.	2,000,000
Kolhapur State.	2,000,000
Bombay.	1,342,000
Jammu and Kashmir	1,000,000
Bhopal.	250,000
Total	35,501,000

ALUMINIUM PRODUCTION IN C. P. AND BERAR

*1303. **Prof. K. T. Shah:** (a) Will the Honourable Minister of Industry and Supply be pleased to state whether it is a fact that the Director General of Industry and Supply, declared that the Central Provinces and Berar was "the largest Aluminium producing region, not only in India, but in the world", as reported in the *Times of India* dated the 26th August, 1948 and if so, what are the grounds for such a statement?

(b) Have any Managing Agents been appointed for organising and conducting this Industry as a Joint Stock Company, or semi-public enterprise, in the Central Provinces and Berar?

(c) If so, what is the commission to be allowed to such Managing Agents?

(d) Are the necessary plants, machinery, equipment, and electrical energy available for the establishment of this Industry, and what are the comparative costs in the different countries of the world for such plants, machinery and equipment?

(e) What is the estimated cost per unit of output in the proposed enterprise in comparison with the corresponding costs in other countries, and the landed cost of imported Aluminium ingots in India?

The Honourable Dr. Syama Prasad Mookerjee: (a) I would refer the honourable member to the reply given by me to his previous question.

(b) and (c). I understand that the appointment of Managing Agency originally made has since been cancelled.

(d) Almost all the machinery required for an aluminium plant will have to be imported and in the absence of detailed designs of plant and machinery it is not possible to give comparative costs charged by different countries.

(e) A statement is laid on the table of the House.

STATEMENT

Cost per unit of output in the proposed factory in C. P. and Berar.	Rs.1,600—per ton of ingot as estimated by one of the Government Cost Accountants.
Landed cost of imported aluminium ingot	Rs. 1, 672. per ton inclusive of 30 per cent. import duty for ingot imported from Canada.
Cost of ingot in other Countries.	Not readily available.

DEVELOPMENT AND USE OF JAMNAGAR AS AN INTERNATIONAL AIRPORT

*1304. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Communications be pleased to state whether the attention of Government has been drawn to the news appearing in the newspapers of 1st March, 1949 that Government intend to develop and use Jamnagar as an international airport?

(b) Is it a fact that Jamnagar is to take the place formerly occupied by Karachi as the nearest airport for aircrafts coming from the West?

(c) If so, will the supreme utility as the main aerial gateway of Santacruz (Bombay) be reduced?

(d) What is the amount expected to be spent on the development of Jamnagar airport?

(e) Is Kundla going to be one of the international airports in view of its proximity for aircrafts from West than Jamnagar?

The Honourable Mr. Rafi Ahmed Kidwai: (a) Yes, Sir.

(b) No, Sir.

(c) No, Sir.

(d) The Government of India is not proposing to spend any amount on the development of Jamnagar airport.

(e) No, Sir.

ELECTRIFICATION OF RAILWAY LINES

***1305. Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that the Engineers' Conference which met in New Delhi from 21st to 26th February, 1949 resolved that with the object of saving coal and reducing railway coal traffic Government be advised to have the following sections of railways electrified:

(i) Howrah-Moghulsarai; (ii) Igatpur-Bhusaval; (iii) Virar-Ahmedabad; (iv) Poona-Dhond; (v) Bangalore-Mysore; (vi) Tambaram-Chingleput; and (vii) Arkonam-Villupuram?

(b) If so, what steps do Government intend to take in this direction?

The Honourable Shri N. Gopalaswami Ayyangar: (a) Yes.

(b) Electrification of the Bangalore-Mysore Section is under consideration by Mysore Railway. Preliminary investigations on the remaining electrification schemes have been carried out and are now under consideration by the Railway Board.

IMPROVEMENT OF FISH CULTURE

***1306. Prof. N. G. Ranga:** Will the Honourable Minister of Agriculture be pleased to state:

(a) what steps are being taken to improve fish culture in India; and

(b) whether any Indian Council of Fisheries is being organised?

The Honourable Shri Jairamdas Doulatram: (a) A statement describing the steps taken in different provinces is placed on the table of the House.

(b) The question of setting up an Advisory body relating to fisheries on which all interests concerned in the development of fisheries are represented is under the consideration of Government.

STATEMENT

With a view to improve fish culture, the development of inland fisheries in India has been in the direction of stocking of tanks, ponds and other impounded waters mainly with four species of fast growing carps. As these carps do not breed in confined waters, such waters have to be stocked every year with fry or fingerlings collected from their natural breeding grounds. Supplies of carp fry are available in Bengal, Orissa, Bihar, U. P., East Punjab and Delhi, and exploratory work is being carried out for locating their spawning grounds in other areas to meet increasing local demand and for export to deficit areas. In 1948, Bihar distributed 25 lakhs of fry from 8 fry distribution centres, while Orissa distributed 16 lakhs of fingerlings West Bengal had 24 such distribution centres. U. P. are establishing fry collecting and fingerling distribution centres along the course of the

River Ganges. In the East Punjab, a number of spawning grounds have been located from which fingerlings are collected, for stocking. Delhi Province has adequate supply of carp fry. Province of Madras which has enough supply for its needs has established Fish Farms at different places for the rearing of fry for distribution. C. P. where no supply is available in the province had to import spawn from Calcutta. There are great possibilities of increased production of fish by intensifying pisciculture, as there are a number of perennial and semiperennial tanks found scattered in all parts of the country and also numerous creeks, back-waters and lagoons along the coastal areas which can be developed into productive fisheries. For the development of such fisheries, the provinces of East Punjab, Delhi, U. P., Bihar, Orissa and Madras have initiated a survey of all perennial and semi-perennial impounded waters and have also successfully undertaken pisciculture by stocking operations. The Governments of Cochin and Travancore too have established brackish water fish farms for increasing fish production and also for demonstration purposes. In 1947-48, nearly 3,000 acres of fallow waters were stocked in different parts of the country.

F. A. O. PAMPHLETS

*1307. **Prof. N. G. Ranga:** Will the Honourable Minister of Agriculture be pleased to state:

(a) whether the Food and Agricultural Organisation have supplied agricultural specialists of member nations its pamphlets on "Using Salt Land" and "Thieves of Stores Grain";

(b) whether the methods suggested in them are being studied for adoption under Indian conditions; and

(c) whether any action is proposed to be taken in the suggested direction?

The Honourable Shri Jairamdas Doulatram: (a) Yes.

(b) The methods suggested are well-known and within the knowledge of Government.

(c) In the U.P., Bombay and in some parts of Madras Province, certain standard methods such as leaching through deep open drains, treatment of alkaline soils with gypsum or sulphur and the raising of crops like rice, barley and berseem are being tried. In the United Provinces, some "Usar" lands have already been reclaimed by the process of enclosure and exclusion of grazing land and by afforestation. That Government have also in hand a project for the reclamation of alkaline lands. Research on the treatment of alkaline soils with calcium chloride has been conducted by the Indian Meteorological Department at Poona and found to be effective. The experiment awaits trial on a field-scale. Suitable rotation of crops is also being done in the Bombay Province.

Reclamation of alkaline lands by Molasses and application of lime and organic manures have also been tried in India with certain amount of success. Of the usual methods of draining out salts from soils open drains have been tried in India.

In regard to storage the honourable member's attention is invited to my reply to Starred Question No. 866 dated the 3rd March, 1949.

REPORT OF AMERICAN EXPERTS *re* IRON ORES IN SANDUR AND SALEM

*1308. **Shri B. N. Munavalli:** Will the Honourable Minister of Industry and Supply be pleased to state:

(a) whether American experts were deputed by the Government of India to visit Sandur (merged state) and Salem, where iron ores abound;

(b) if so, whether they have submitted any report about the quality of these ores as well as the location of factories;

(c) whether Government intend to implement the recommendations of the American experts and if so, when; and

(d) whether Government propose to lay on the table of the House the report submitted by the American experts?

The Honourable Dr. Syama Prasad Mookerjee: (a) to (c). Yes, Sir. Sandur is one of the several places visited by the American experts appointed by Government last year to draw up project reports for the establishment of new steel works in India. They did not visit Salem but were given full details about its ores. Their reports, which have only recently been received, deal among other matters, with the quality and availability of existing ores and contain recommendations for the location of the proposed works. These recommendations are now under examination.

(d) The reports are voluminous and I therefore propose to lay on the table of the House a summary, before the close of this Session.

NIGHT AIR MAIL SERVICE

*1309. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Communications be pleased to state the date on which the night air-mail was started?

(b) What is the daily average weight in pounds for the months of January and February 1949 of mails that were carried from Delhi to Madras, Delhi to Calcutta and Delhi to Bombay and back?

(c) What is the rate per pound at which payment is made to the company carrying air mails?

(d) Is it a fact that the cost per mile for plane is between Rs. 2 and Rs. 3?

(e) Is it a fact that the contractor company incurred huge losses?

(f) Is it a fact that the Company intimated their intention to discontinue the service?

The Honourable Mr. Rafi Ahmad Kidwai: (a) 30th January, 1949.

(b) A statement containing the required information is laid on the table of the House.

(c) Payment for the carriage of letter mails is made to the Company at the usual rate, namely, Rs. 1-8 per pound irrespective of the distance over which the mails are carried. For air parcels the rate paid is the approved rate for air freight by the direct route less 25 per cent.

(d) The cost of operation of a Dakota aircraft varies with the route and depends on various other factors. It is more than Rs. 3 per mile in all cases.

(e) It is true that the company incurred some loss in the beginning but the service has attracted sufficient commercial traffic on Bombay-Calcutta route and it is expected that similar traffic would also develop on the Delhi-Madras route.

(f) No, Sir.

STATEMENT

Daily weight of Air Mails and Air Parcels despatched from Delhi to Madras, Bombay and Calcutta and vice versa on 31st January, 1949 from which date the service was inaugurated.

Name of Sector	Daily weight of Air Mail letters and Packets in Lbs.	Weight of Air Parcels in Lbs.	Total
Delhi—Madras	23	..	23
Delhi—Bombay	42	2	44
Delhi—Calcutta	41		41
Madras—Delhi	42		42
Bombay—Delhi	20	7	27
Calcutta—Delhi	25	6	31

Daily average weights of Air Mail and Air Parcels despatched from Delhi to Madras, Bombay and Calcutta and vice versa during February, 1949

Name of Sector	Daily weight of Air Mail letters and Packets in Lbs.	Weight of Air Parcels in Lbs.	Total
Delhi—Madras	42	12	54
Delhi—Bombay	70	20	90
Delhi—Calcutta	107	12	119
Madras—Delhi	56	20	76
Bombay—Delhi	107	21	128
Calcutta—Delhi	87	13	100

PRICES OF IMPORTED FOODGRAINS

*1310. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Food be pleased to state the average rate per maund of imported rice, wheat and milo for the years 1946-47 and 1947-48, f.o.r. Bombay from each of the countries, *viz.*, the United States of America, Canada, Australia, Argentina, and Burma?

(b) From what other countries have foodgrains been imported and what have been their prices during each of the years 1946-47, 1947-48 and 1948-49 on the average for each kind of foodgrain?

(c) What are the rates per maund at which India proposes to buy various kinds of foodgrains during the year 1949-50 f.o.r. Bombay or other ports in India?

The Honourable Shri Jairamdas Doulatram: (a) and (b). A statement is laid on the table of the House giving the C. & F. prices for each variety of grain from different countries. In respect of the year 1948 and 1949 most of the contracts have yet to be completed. It will be appreciated that if these rates are disclosed on the floor of the House, our future negotiations may be prejudiced. It is, therefore, considered that it will not be in the public interest to publish these rates.

(c) Purchases are spread over the whole year and the rates to be paid for each grain will be determined according to the conditions prevailing from time to time.

STATEMENT

Average price (C & F) in rupees per maund

Commodity Sourcewise	April 1946 to March 1947	April 1947 to September 1947	October 1947 to December 1947
1	2	3	4
Wheat—	Rs. A. P.	Rs. A. P.	Rs. A. P.
Australia	9 4 0	12 0 0	14 1 0
U.S.A.	13 12 0	12 0 0	14 12 0
Canada	13 11 0	..	..
Turkey	18 7 0	20 0 0	..
Abyssinia	..	8 0 0	8 4 0
East Africa	..	9 7 0	9 8 0
Argentine	..	..	Barter against hessian
Wheat Flour—			
Australia	12 5 0	..	20 5 0
U.S.A.	18 10 0	16 0 0	18 12 0
Canada	..	23 0 0	23 8 0
U.K.	18 0 0	..	..
Ceylon	..	..	22 1 0

1	2	3	4
	Re. A. P.	Rs. A. P.	Rs. A. P.
Rice—			
Burma	14 10 0	17 0 0	18 4 0
Siam	9 6 0	15 0 0	16 7 0
Indochina	16 11 0	21 0 0	..
Brazil	17 1 0	..	25 15 0
Indonesia	5 12 0	..	..
Egypt	..	24 0 0	..
Mexico	..	..	28 7 0
Ecuador	..	..	29 1 0
Millets—			
Australia	11 4 0	11 4 0	1 0 0
Argentine	10 13 0	..	..
Egypt	13 14 0	..	..
Abyssinia	13 5 0	7 0 0	7 1 0
Iraq	17 0 0	17 0 0	7 1 0
E. Africa	..	15 0 0	15 13 0
Ceylon	..	13 0 0	14 2 0
Aden	..	..	7 12 0
Barley—			
Australia	12 6 0		16 6 0
Turkey	14 6 0		..
Argentine	..		Barter against hessian
Egypt	14 1 0	..	..
Iraq	13 0 0	13 0 0	18 0 0
Maize—			
U.S.A.	9 9 0	..	..
Turkey	..	15 0 0	..
Burma	9 8 0	10 0 0	10 6 0
Argentine	..	..	Barter against hessian
Abyssinia		6 0 0	6 3 0
Iraq		14 0 0	15 9 0
Aden		..	4 10 0
E. Africa		..	10 14 0
Milo—			
U.S.A.	11 9 0	13 0 0	13 0 0
Ceylon	..	12 0 0	..
Oats—			
Canada	10 8 0	..	..
Argentine	11 8 0	..	..

Increase in Production of Sugar

*1311. **Dr. P. S. Deshmukh:** Will the Honourable Minister of Agriculture be pleased to state whether it is a fact that manufacture of sugar has increased by nearly 30 per cent as a result of lifting the control on sugar?

The Honourable Shri Jairamdas Doulatram: The production of sugar in 1947-48 was more than that in 1946-47 by sixteen per cent. The increase was due to more cane being brought to the mills as its price was raised from Re. 1-4 to Rs. 2.

Complaint re Favouritism in Allotment of Wagons

*1312. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Railways be pleased to state whether it is a fact that a letter dated 16th February, 1949 has been addressed to the General Manager, Bombay, Baroda and Central India Railway, Bombay, by Messrs. Dharamsey and Mehta complaining about favouritism shown to certain persons in the grant of allotting wagons?

(b) Have fifteen carting agents made a protest against this favouritism?

(c) If the answer to part (a) above be in the affirmative, what steps have Government taken against those responsible for the favouritism?

The Honourable Shri K. Santhanam: (a) Yes.

(b) A protest alleged to have come from Camoe Bridge Dalals and Mukadams, oare of one dalal, who alone signed the complaint, was received.

(c) The matter is still under investigation and a further reply will, in due course, be placed on the table of the House.

MANUFACTURE OF VANASPATI

*1313. **Shrimati Dakshayani Velayudhan:** Will the Honourable Minister of Agriculture be pleased to state:

(a) the quantity of Vanaspati produced in the country in the year 1948, and

(b) the names of oils used for such manufacture?

The Honourable Shri Jairamdas Doulatram: (a) 129,691 tons.

(b) Groundnut oil, Til oil and cotton seed oil. Bulk of the supply is groundnut oil. Til oil is used compulsorily to the extent of five per cent.

CONSTRUCTION OF SUBWAY AT SAUGOR STATION

*1314. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that the main road to the rail way station in Saugor on the Great Indian Peninsular Railway, crosses the railway line and that great inconvenience is caused to the public and vehicular traffic thereby?

(b) Is there any proposal to construct a subway to avoid this inconvenience to the public and vehicular traffic, and if so, how long would it take?

(c) If the answer to part (b) above be in the negative, do Government propose to consider the construction of the subway?

The Honourable Shri K. Santhanam: (a) A level crossing is provided at the place where the main road connecting the town with the railway station at Saugor crosses the railway line. The road traffic is held up only for a short period when the gates are closed to allow a train to pass over the level crossing.

(b) No.

(c) It is proposed to shift the station building to the City side of the line in the near future and, therefore, replacement of the level crossing by a subway is not considered necessary.

CONSTRUCTION OF BARWADIH-CHIRIMIRI RAILWAY LINE

*1315. **Shri R. L. Malviya:** (a) Will the Honourable Minister of Railways be pleased to state whether Government are aware that the coal fields on the Barwadih-Chirimiri line, under construction, are nearer to Chirimiri and the collieries could be started sooner had the construction of the line been started from Chirimiri side?

(b) Have Government got any proposal to start the construction from Chirimiri side as well?

(c) Has the survey for connecting this line at a point between the Bijuri and Chirimiri stations been completed and if so, what is the point finally decided upon?

(d) If the answer to part (c) above be in the negative, how long would it take for the final survey?

(e) Have Government got any plan to connect Manendragarh with this line and if so, what is it?

(f) What is the length and the total estimated cost of the line and when will the line be ready for service?

The Honourable Shri N. Gopalaswami Ayyangar: (a) Yes.

(b) It is proposed to start construction from the Chirimiri end after completion of the final location survey and the preparation of detailed plans which are in hand at present for this portion of the line.

(c) and (d). Bijuri has been selected as the junction of the new line with the Anuppur-Chirimiri Branch. Both Chirimiri and Manendragarh were considered, but discarded on account of sharp curves and steep gradients on the line between Bijuri and Chirimiri.

(e) Manendragarh is already a station on the Anuppur-Chirimiri Branch 10 miles east of Bijuri. It will not be a station on the new line.

(f) The length of the line between Bijuri and Barwadih will be approximately 153 miles. In 1947 the construction was estimated to cost about Rs. 12·6 crores After the final location survey, which is in progress at present, is completed, an estimate at the present day rates will be prepared. The Government are not in a position at this stage to state when the whole of the line will be ready for service.

UNSTARRED QUESTIONS AND ANSWERS

Departmental and Extra Departmental Post Offices

112. Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Communications be pleased to state how many Extra Departmental post offices there are in the Indian Dominion?

(b) What is the total income from them?

(c) What is the total income from Departmental post offices in the Indian Dominion?

(d) What is the total expenditure in the management of the Extra Departmental post offices in the Indian Dominion, including the remuneration of the Extra Departmental employees and the establishment expenses of the Extra Departmental post offices?

(e) What is the total expenditure in the management of the Departmental post offices including the pay of the staff and the necessary establishment expenses?

The Honourable Mr. Raf Ahmad Kidwai: (a) On 31st March, 1948, there were 15,744 extra departmental post offices.

(b) to (e). Information is not readily available, and its collection will involve an immense amount of work, as calculations have to be made in respect of each office after keeping statistics for one month.

Departmental and Extra Departmental Post Offices in Orissa

113. Shri Lakshminarayan Sahu: (a) Will the Honourable Minister of Communications be pleased to state how many Extra Departmental post offices there are in Orissa?

(b) What is the total income from them?

(c) What is the total income from Departmental post offices in Orissa?

(d) What is the total expenditure in the management of the Extra Departmental post offices in Orissa, including the remuneration of Extra Departmental employees and the establishment expenses of the Extra Departmental post offices?

(e) What is the total expenditure in the management of the Departmental post offices, including the pay of the staff and the necessary establishment expenses?

The Honourable Mr. Rafi Ahmad Kidwai: (a) On 31st March, 1948 there were 483 extra departmental post offices in Orissa.

(b) to (e). Information is not readily available, and its collection will involve an immense amount of work, as calculations have to be made in respect of each office after keeping statistics for one month.

Tuesday
22nd April, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—QUESTIONS AND ANSWERS)]

Official Report

Volume III, 1949

(19th March, 1949 to 5th April, 1949)

Fourth Session

OF THE

CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

1949

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS).

Tuesday, 22nd March, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

QUESTIONS AND ANSWERS.

(See Part I)

11-45 A.M.

PAPERS LAID ON THE TABLE

REPORT OF INDIAN RAILWAY ENQUIRY COMMITTEE

The Honourable Shri N. Gopalaswami Ayyangar (Minister of Railways and Transport): Sir, I lay on the table a copy of the *Report of the Indian Railway Enquiry Committee, 1947.

BANKING COMPANIES (LEGAL PRACTIONERS' CLIENTS' ACCOUNTS) BILL.

The Honourable Dr. John Matthai (Minister of Finance): Sir, I beg for leave to introduce a Bill to restrict the liability of banking companies in connection with certain transactions by legal practitioners.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to restrict the liability of banking companies in connection with certain transactions by legal practitioners."

The motion was adopted.

The Honourable Dr. John Matthai: Sir, I introduce the Bill.

INDIAN FINANCE BILL—concld.

Mr. Speaker: The House will proceed with the motion moved by the Honourable Dr. John Matthai yesterday, namely:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1949, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Pandit Hirday Nath Kunzru, Shri T. A. Ramalingam Chettiar, Shri Biswanath Das, Shri R. K. Sidhva, Shri Surendra Mohan Ghosh, Prof. N. G. Ranga, Shri Ram Nath Goenka, Mr. Naziruddin Ahmad, Shri Mohanlal Gautam, Shrimati Annie Mascarene, Shri Gokulbhai Daulatram Bhatt, Shri Prabhu Dayal Himatsingka, Mr. Homi Mody, Shri Khandubhai K. Desai, Shri S. V. Krishnamoorthy Rao, Shri H. V. Kamath, Shri B. L. Sondhi, Shri Kala Venkata Rao, Srijut Rohini Kumar Chaudhuri, Shri K. Hanumanthaiya, Shri Deshbandhu Gupta and the Mover with instructions to report on or before the 25th March, 1949, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

This motion will be discussed upto 4 P.M. or shall it be upto 4-30 P.M.?

The Honourable Dr. John Matthai (Minister of Finance): The discussion has been mainly with reference to general matters of administration and I do

*Not printed in the day's Debate. A copy placed in the Library of the House.—*Ed. of D.*

[Dr. John Matthai]

not know if it would be necessary for me to make a lengthy reply. Having observed the trend of the discussions yesterday and the kind of subjects the discussions referred to, if you could allow me half an hour, it would be as much as I would need in order to reply.

Mr. Speaker: The time limit is fixed up to 5 P.M. and at that time the question has to be put under the rule. So there will be no occasion for extending the discussions beyond 5 P.M. So these discussions will go up till 4-30 P.M. and then I shall call upon the honourable the Finance Minister to reply.

Shri Raj Bahadur (United State of Matsya): Mr. Speaker, Sir, before the House rose yesterday, I was expressing myself mainly on three points. With your permission, Sir, I will recapitulate briefly the points I made yesterday to get into a sequence.

I was referring to the necessity of a concerted effort on the part of the Government to devise and introduce a scheme by which the urge of the younger people of our nation for military training may be satisfied. The charm and fascination which draw the younger people, particularly boys of school-going age, for military drills and military discipline, for parades and manœuvres, are well known. This, Sir, is a precious treasure of the Government and of the nation. It should be put to the best use by the country. Our experience in the past has, however, been that this urge unfortunately was exploited by certain interested parties for ulterior motives. But that it can be put to the best use for the nation cannot be denied, and as such I believe that if the Government devise a scheme whereby either through some suitable military officers or even through the police officers in the various provinces or other qualified persons, a drive is made to train our young people in the art of bearing arms and going in for military drills and discipline, it will be very fitting for the needs of the times.

Secondly, I referred to the integration of the States' Forces into the overall set-up of the Indian Army. After the accomplishment of the marvellous and almost impossible task of integration of as many as 562 States into the various provinces or into States' Unions, it is only to be expected that the States' Forces which are scattered over all these States, should be incorporated into the bigger unit of the Indian Army. They should form part and parcel of it. As such, it is only proper that there should have been some provision in the Defence Budget, for that purpose so that a beginning could have been made in this direction.

Thirdly, I was referring to the mass of prejudice and superstition that prevails in certain foreign countries about our social customs and institutions. It has to be painfully observed that during the course of the slavery of two centuries, of our country a ruthlessly distorted picture of our country, especially of manners and social customs of the people was presented to the world. Therefore, it is only proper that all the harm and damage that has been done to our reputation by notorious writers like Miss Mayo should be undone now, and a concerted effort should be made that all the prejudice that exists in foreign countries about our manners and social customs, about our culture and civilization should be removed. It would be not only in the best interests of our nation and country and in keeping with our prestige, but it would pave the way for international peace and amity and goowill. In this connection I would suggest that the Education Department should publish literature and do propaganda in order to remove all these various whims, fancies and superstitions that reign supreme today in foreign countries about us.

Coming to an other aspect of the function of publicity and information on the part of our Government, I would like to refer to publicity within our own country. In order that our democracy may prove successful, it is necessary

that the common man must be made more intelligent: he must be made aware of his various responsibilities, rights and privileges. It is, therefore, very essential that from village to village and town to town there should be a network of our publicity organization which should be used to educate the masses. It is unfortunate that the few papers that there are in this country—I say few looking to the population of the country and the number of newspapers—are only available in the towns. Even the benefits and advantages of the broadcasting system are restricted to the towns and cities. It could have been planned that a number of radio sets, to begin with say 1,000 or 2,000, are distributed to make a modest beginning in the provinces of Delhi and Ajmer-Merwara, which are Centrally controlled. They could have been supplied free of cost to the villages and could have been so organized that all the broadcasting programmes meant for the rural population could be listened to by them. I understand that some steps have been taken in this direction. But it is only proper that if out of every four men in the United States or in the United Kingdom one possesses a radio or a motor car, it is necessary that in at least every village in our country there should be a radio set. We are looking forward to the day when this will be realized. Again our communication system also is hopelessly out of tune with the needs of time and with the interests of the population. With trade and intercourse increasing from day to day between the villages and the towns, it is only proper that the attention of the Works, Mines and Power Department is directed towards a betterment of the existing communications and transport facilities.

Lastly, I would refer to the immense problem of the refugees. It cannot be doubted that the problem of the refugees which was created by the influx of millions of people due to the exchange of populations on an unprecedented and inconceivable scale reaching up to the figure of 70 lakhs on either side was a gigantic one. It would have been impossible for any Government in the world to cope with such a mighty and huge problem. But it has to be admitted that the problem has not been solved up to this time completely. Out of the many areas from where populations have been exchanged I want to make a particular reference to the Matsya Union, from where about one lakh of people have migrated the refugees who come from Pakistan were only about 30 or 40 thousand. (*Interruption*). I stand corrected. About three lakhs of people migrated from the Matsya Union and only a lakh of people have come there. But these too have not been settled properly. I will give a small example. One of the industries which some of these refugees wanted to set up was the razor-making industry and another was the piercing-saw-industry. They wanted some protection and some financial assistance. These were not forthcoming. The problem of making them stand on their own legs and making them eke out their own living could not be solved in this manner. The result is that a large number of such people who went there to find shelter are returning from those areas. It is high time that the attention of the Government is drawn to this problem.

So far as taxation proposals are concerned, as is well known, the principle is "no taxation without representation." Nobody can doubt that this Assembly is fully representative of the people of India but the impression one gathers from a cursory perusal of the budget is that it is more a rich man's budget than a poor man's. The various proposals for relief relate mainly to those items which relate to those who are well to do and rich. As far as the poor man is concerned not only is his postcard taxed but his paper and stationery are also taxed. The coarse cloth which he wears is also taxed. I hope when the Bill is considered by the Select Committee they will see to it that the necessities of life of the common man are not taxed, so far as possible, or that the burden of taxation on such articles of necessity is not augmented. (*An honourable Member*: 'Where is the money to come from?') The tax can come from other things used by rich men. It is not necessary that

[Shri Raj Bahadur]

you should tax articles like paper and stationery which are used by the students and the poorer classes also. Why do you not tax other articles (*Interruption*). I see only the "capitalists' cry" in this interruption. But I do not mean to cast any reflection on anybody.

I want to refer to certain industries which require special proteotion, for example the razor industry. In November last razors imported from foreign countries cost Rs. 27 per razor of superior quality and Rs. 15 per razor of inferior quality; whereas local made razors were obtainable at a price of Rs. 5 per razor in November last. Then there was dumping of these razors in the country and the result was that foreign razors could be obtained at Rs. 9 in February and the local made razors came down to Rs. 2. The result was that this industry which was coming into its own has been crippled by the dumping of these foreign imports. As regards the piercing saw industry—these saws are used by watch-makers—they were obtainable at Rs. 15/6 per gross and now they have come down to Rs. 2 because of dumping from Switzerland. The industry has, therefore, been completely paralysed. Lastly the shoe industry, which employed about 5 lakhs of people, and of which there are about 300 factories and 4,000 cottage industry centres, has suffered a serious set back on account of dumping of shoes and other leather goods from the U.K., Australia and other countries. About one lakh of people have been thrown out of employment consequently at and near Agra.

12 NOON.

Srijut Rohini Kumar Chaudhuri (Assam: General): On a point of order, Sir, when an honourable Member continues his speech on the following day is the time taken by him on the previous day taken into consideration?

Mr. Speaker: It is also taken into consideration but in view of the very short time of four or five minutes that he has had I am allowing him that time also.

Shri Raj Bahadur: Sir, I will not give another opportunity to my honourable friend to complain about my taking extra time. I shall conclude by saying that the industries which I have referred to will receive the special consideration of the Government by the imposition of protoctive duties as also other special assistance. I hope the Government will also consider the other points made out by me.

Mr. Homi Mody (Bombay: General): Sir, in my speech on the Budget I characterised the approach of my honourable friend the Finance Minister to the problems facing him as one of subdued optimism. And indeed when we look around us all over the world and find cities devastated, millions homeless, factories in ruins and the whole economy of countries disrupted, we have cause for profound thankfulness. It is true that India suffered a great deal too. She made a major contribntion to the war in spite of the fact that she was in essentials ill-equipped for waging a major war; her capacity for munitions and major weapons of war was either non-existent or extremely limited. All the same she made a great effort and I think her contribution was equal to almost that of any other country if you take into consideration the totality of all that she did for the prosecution of the war. But it is also true that she escaped the major horrors of the war, horrors which countries subjected to bombing or enemy occupation went through, and to that extent I say there is cause for profound thankfulness.....

Pandit Lakshmi Kanta Maitra (West Bengal: General): We in Bengal had some taste of it.

Mr. Homi Mody: Yes but if you had the taste which other countries had, you would not have forgotten it!

The situation, nevertheless, is one of difficulty and it would be foolish to disguise the seriousness of the problems that are facing us. In the first place, our productive machine while it is intact is worn out very badly. We have not been able to rehabilitate our industry because of difficulties of capital equipment and also of exchange resources, particularly in the hard currency areas. Our transport system has not yet achieved normalcy, in spite of the efforts which have been made in the last year or two and which I freely acknowledge. The transport problem is still very acute, and I take this opportunity of saying, without doing any injustice, I hope, to the Ministry concerned, that the transport system of the country is inadequate to the needs of trade, industry and agriculture.

Then there is the consideration that the middle classes have been impoverished, their savings have mostly disappeared and today that class on which governments in all countries generally depend for support to the investment market is almost non-existent. And finally, it is also a fact that confidence has been generally shaken, though here again I freely acknowledge that a great deal has been done by Government's spokesmen in recent months to restore confidence, both by word and deed.

There are two particular problems facing my honourable friend. One is the high cost of living. I am inclined to agree with him that we have seen probably the peak of the inflation. But I am not so sure that I can share his optimism with regard to any downward trend setting in. If you examine the budget carefully, you will find that beyond the fact that the programme of capital expansion is very modest, and may be regarded as anti-inflationary, there is little in the budget which can be said to induce a downward trend of prices. The effect of excises surely cannot but be inflationary, and to the extent to which cloth, sugar, petrol and other articles are made more expensive, to that extent the cost of living of the middle and the lower middle classes is bound to go up.

Then you cannot possibly divorce the Central budget from the provincial budgets. In the Provinces because of the fanatical pursuit of ideals, and consequent abandonment of very substantial revenues, Sales Taxes are being imposed on all manner of necessities. I do not know what sort of taxation principles they are which entitle a Province to throw away crores of revenue in the pursuit of ideals and which at the same time imposes such burdens upon the poor and the middle classes. In this connection, I would like to ask my honourable friend whether the Central Government's authority over the Provinces rests merely in issuing directives and tendering advice. Provincial autonomy is there—nobody disputes that. But in the matter of prohibition—on which I hold just as strong views as Provincial Ministers hold theirs—there was advice tendered from the highest quarters to the Provinces, which advice was contumeliously rejected. Has anything been done? I find that nothing has happened to the Provinces which have rejected this advice. They are being given loans and advances and grants without reference to what the Central Government's advice was with regard to setting their finances in order.

Shri Lakshminarayan Sahu (Orissa: General): Sober people will pay more taxes than drunkards

Mr. Homi Mody: But so far as I am concerned, I am more sober when I have had a little!

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, does he want anything now?

Mr. Speaker: Let him proceed.

Mr. Homi Mody: The other difficulty which is facing my honourable friend is with regard to the financing of capital expenditure. He has provided in this year's budget, and very wisely, only Rs. 85 crores, of which Rs. 67 crores are

[Mr. Homi Mody]

by way of conversion, which leaves a very meagre sum of Rs. 13 crores for financing fresh expenditure. That undoubtedly is wise in view of the circumstances in which he finds himself. But it only shows that today we are not in a position to finance capital expenditure to any very considerable extent.

I would like to draw his attention in particular to the considerable reduction that has taken place in cash balances. If I remember aright, only three years ago they were of the order of Rs. 450 crores; they have substantially dwindled. What I want to know is whether this raid on the cash balances took place for financing current expenditure. Cash balances are generally built up for financing capital expenditure. I do not know whether they are intended to supplement the ordinary revenue resources of Government. It is a matter for my honourable friend to answer and I shall be happy to learn at his feet.

Sir, it would perhaps be idle to make any suggestions to my honourable friend who knows a great deal more about these matters than I do, but I would like to suggest to him, in view of the present state of the security market, the feasibility of floating short-term loans, leaving the long-term loan position alone. When I talk of short-term loans I mean for five or seven or ten years, in small denominations, and with a slightly higher rate of interest than the rate at which such securities can be had today. In other words, the yield on these short-term securities should not be such as to disrupt the whole structure of the security market. If you offer perhaps an anna or two more than the yield on short-term securities today, you may find a considerable response on the part of the investing public.

Then there is another question on which I speak with even greater diffidence, and that is the question of attracting capital from rural areas. My honourable friend, I think, knows something about co-operative societies and I was wondering whether with their help and that of rural agencies it was possible to draw up something out of the small savings of the agricultural and the artisan population

Shri T. A. Ramalingam Chettiar (Madras: General): At the present moment, there is greater demand for money in the rural parts, and there is no money to be deposited so far as we know.

Mr. Homi Mody: What is the reason? More marriages?

Shri T. A. Ramalingam Chettiar: For cultivation expenses.

Shri L. Krishnaswami Bharathi (Madras: General): There is no money with them.

Mr. Homi Mody: I shall speak with all humility; my friends are experts, and I am not. But I am very surprised to hear that there is no money in the rural areas. I thought that over a period of years the high prices which the agriculturists obtained have enabled them to lay by a little and withstand the shock of lean years much better than ever before.

Honourable Members: No, no.

Mr. Speaker: Let him proceed.

Mr. Homi Mody: As a matter of fact, I think I am right in saying that agricultural indebtedness has been very substantially reduced. (*Interruption*)

Mr. Speaker: Order, order.

Mr. Homi Mody: Now it seems to me that what requires to be done is that the procedure ought to be simplified a great deal—the procedure by which loans can be purchased and sold and the agencies through which purchases and

sales tax be effected. If some way was devised of making it simpler so that the poor ignorant agriculturist does not think that he is undergoing a heavy and, to him a complicated, formality, it is possible that the drive for rural savings may meet with greater success than it has done. Then again, I do not know whether my honourable friend will raise his hands in horror if I ask him to consider the feasibility of issuing bearer bonds. I do not know what the mechanics of that business are or the morality, but a short time ago some of the leading Indian banks in this country put up a scheme to the Government. I would like to know from my honourable friend whether he has considered that scheme.

I have one or two other small points. One is that I think there ought to be better estimating of the revenue and expenditure. I have been here for well over fifteen years off and on, and I have not known budget figures being out to the extent of Rs. 80 crores, both on the revenue and on the expenditure side. I grant that there are incalculables and imponderables, and budgeting is a form of guess work; but it should not be pure speculation. I suggest to my honourable friend that a better control over budgetting ought to be exercised than has evidently been the case.

Then there is the question of the Economy Committee. In view of the assurance given by my honourable friend that he is going to examine their recommendations very promptly and carefully, I do not need to say anything beyond that I hope he will find it possible, if the report is not an empirical document, to effect some substantial economies.

Lastly, there is the food problem, which is at the root of all our problems. The honourable Minister only a couple of days ago made a reassuring statement, and evidently he and the Provinces seem determined to go ahead. I only want to say that my general reaction is that my honourable friend the Food Minister is being a little too optimistic. I am not also sure whether the Provinces are as energetic and as much in earnest as the Centre is with regard to the food problem; that is largely because of the comparative ease with which we have found it possible to import food from abroad.

Sir, I have nothing more to say at this stage.

Shri M. Ananthasayanam Ayyangar: Sir, I refer to this Budget as a balanced Budget not because the revenue and expenditure side has been balanced, but because it effects a balance between the rich and the poor. I expected a different speech from my honourable friend Mr. Mody than one of mere criticism of what has been done. If the appetite is satisfied the appetite grows by what it feeds on. The poor man has been ignored in this Budget, but he is prepared to take some more burdens upon himself merely to see that the industrialist and capitalist is put once again on his legs, to improve the industry of this country and the wealth of the nation. Sir, my friend has not given an assurance, inspite of all the concessions that have been given to him, that he will go forth to the country and ask the industrialists to put more energy into their work and see that everyone of them produces sufficient for consumption so as to bring down the inflation.

Mr. Homi Mody: May I just interrupt my honourable friend? If he will read my Budget speech I have stated there in the strongest possible terms and made a call on the industry and trading community to respond to Government's efforts.

Shri M. Ananthasayanam Ayyangar: Anyhow, Sir, till now there is no evidence of it. Now he has turned his attention; finding that he has not been able to persuade his friends, he has turned his wrath against the honourable

[Shri M. Ananthasayanam Ayyangar]

Minister. My own feeling is that an erstwhile socialist has turned into a conservative, all in the interests of the country. When the time came and the need is there, I am glad the honourable Minister has given up some of his principles merely for the purpose of putting our country once again on its legs.

Now, let us understand the critical situation in which we are. India is essentially sound, there is absolutely no doubt about it. The British Government has not taken away all the rivers and lands from here. They are still here. But our balance of trade for the past nine months, ending with the year 1948, is adverse to the tune of 35 crores odd. To England itself our adverse balance is 17 odd crores; likewise to the United States of America and so on. Now, this adverse balance of trade has to be met. We have not been able to get sufficient from England by way of sterling releases in the hard currencies which we wanted for purchase of capital goods. We borrowed from the International Monetary Fund to the extent of 100 million dollars. 92 millions have already been drawn and 8 millions remain to be drawn.. Evidently there is a lurking suspicion in the minds of the persons in charge of the Fund as to why we have been drawing these amounts and how we will be able to pay back. Certainly we will be able to pay, we have got enormous resources.

So far as food is concerned, now we are going to outside countries for purchasing food to the tune nearly of 130 crores. And then this food is subsidised. If the poor man says he has to pay something more for postage this year. I ask you wherefrom are we going to have money for subsidizing the poor man's food in which there is such a great shortage? Our food subsidies come nearly to 28 crores a year.

Next, it may be said that the poor man's cloth has been taxed. Over coarse cloth a quarter of an anna has been imposed, both over course and medium counts up to 34 counts. Situated as we are in this country and having regard to the scarcity of cloth, 12 yards per head per year is all that can be allowed. Taking five as the number of members in a family, each purchases 60 yards in a year. What does he pay per year as tax on these 60 yards? Sixty quarters, that is fifteen annas, less than a rupee. In these critical times it is hard for the poor man to put one more burden upon himself. He is not poor today, he has plenty of money but there is not much for him to purchase with that money; money has become so cheap. It is true in the villages they have plenty of money; the debts of erstwhile poor peasants who were groaning under indebtedness are all paid off. But there is not sufficient fluent capital today; money is not circulating as quickly and as swiftly as before. The only solution for getting rid of this inflation is by producing more and more consumer goods. We have tried to grease the wheels of industry, and the wheels of our honourable friend also, but they still creak. The only other remedy is for the State to take over the industry. Concessions have been given by the honourable the Finance Minister as soon as he took office. He took office at a time when no Minister.....

Mr. Homi Mody: But we have acknowledged all that.

Shri M. Ananthasayanam Ayyangar: It is mere lip-sympathy, it is not sympathy for the poor man nor even for the honourable the Finance Minister. My friend is not trying to put his shoulder to the wheel. I would urge that if ever we do not improve within the course of the next year, I will certainly throw the blame entirely upon my friend and all the persons that he represents. As soon as my honourable friend the Finance Minister took charge of his office in October last, he gave a number of concessions regarding depreciation. Then he reduced the super-tax from fifteen annas six pies to fourteen annas. No doubt Liaquat Ali Khan's Budget was hailed as a poor man's Budget, but unfortunately it has helped neither the poor man nor the rich man. It killed the

rich man and along with the rich man the entire community as a whole. After two years we are now wise. It is under those circumstances that the honourable the Finance Minister has taken over. To the industry or to the capitalist who has to pay super-tax to the tune of fifteen annas six pies in the rupee, concession of an anna and a half is not much. In the critical times that we are in I would reduce it further. My friend Shri T. T. Krishnamachari can laugh. I have only one colour, my friend has two colours. He is a capitalist during the night and by day he is a socialist. I have been a socialist, but I am not a socialist in this sense that I stick to my guns and am a socialist through thick and thin even if the whole ground is washed away under my feet.

Sir, I find there is a peculiar situation arisen in this country today. There is no food, we are importing food. There are hundreds of rivers in our country but we are not able to produce sufficient food. Under these circumstances what are we to do? So far as cloth is concerned, ours was the one country which produced cloth from ancient times. It is said that when some people from Europe visited India in 800 A.D. they went back carrying tales of how they discovered a new thing, a kind of wool growing on the top of trees. But now we have come to look to Manchester and Lancashire for cloth. It is a disgrace that we are not able to make ourselves self-sufficient in food and cloth. What is the remedy? We cannot go on criticising the Finance Minister. An all-round burden has to be imposed. After all the quarter anna is not much for the poor man; if the post-card is raised from six to nine pies, it is for the benefit of the poor man—a larger number of post offices will be set up during the course of the next year.

Shri M. Tirumala Rao (Madras: General): You are reversing your arguments!

Shri M. Ananthasayanam Ayyangar: I am not reversing my argument. I started by saying that under the peculiar circumstances in which we are, you cannot have a better Budget. It is a balanced Budget, balanced between the rich man and the poor man, not between the right side and the left side of the income but between the rich and the poor. In the matter of reduction of the super-tax, I find that the Communist papers say that some 419 persons have been benefited by the reduction of super-tax from 15 as. 6 ps. to 14 as., and that they get the advantage to the tune of Rs. 2-1/2 crores. Well, it so happens that they are industrialists. It cannot be avoided.

In the matter of other concessions, the majority of persons who have benefited are the poor men. It is not the rich man who eats so much cereals as the poor man. My friend here, for instance supplements his food with liquor, not so the poor man, he has to depend on his cereals. So a number of concessions have been given so far as the poor man is concerned. But the rich man has to be helped, not to make him richer, but for the purpose of the industrialisation of the country, or for the purpose of producing the necessaries of life in our country. I agree with these proposals and I have an absolutely clean conscience. I can go to the country and tell the people that they are for their good. They should not listen to those who want to destroy the Government or bring about chaos by saying to the people, "Look here, this half-anna post card has been raised to nine pies." I will tell the poor man that nine pies is not much because the price of money has now gone down. He has got plenty of money, because of the inflation, and we have actually to control inflation. The Finance Minister told us that he has not been able to attract savings. These have gone into the villages. And so far as the industrialists are concerned, their total cost, I mean the total cost of stocks and shares which was about Rs. 180 crores, on account of the various disturbances the heavy imposition of super-tax and so on, its face value now has come down to Rs. 300 crores. From 1:300 it has come to 300. It is no wonder that the Industrialists are not able to get the necessary finance, and the bankers want additional security.

Shri M. Tirumala Rao: Did they not experience an artificial boom during the rise?

Shri M. Ananthasayanam Ayyangar: If artificially we get fat by eating a lot of butter, and in one purgative the whole thing goes off, and you are back to the original state, what is the use? That is what I cannot understand.

Sir, I am glad this Bill has been referred to the Select Committee. There are certain things to be adjusted, so far as the middle-class man is concerned. He has not profitted during the war. He has not had any additional income, and some concessions have to be given to him. Instead of a reduction of a quarter of an anna here or there, the exemption limit may be raised from Rs. 3,000 to Rs. 3,500, particularly in the case of persons who have large families. I am not making any personal reference, but I would like this country to have a large number of people. Well, with the sweet reasonableness of the honourable the Finance Minister, we shall be able to make certain changes, and we do not think that irrespective of considerations of reasonableness, he will stick to the various proposals.

Now, I have to make a few suggestions. We have established a new convention this year. Some objection was raised during the earlier part of the budget debate that the Finance Minister does not take all and sundry into his confidence before he brings forward his financial proposals. Sir, this is impossible. He should not even talk to his wife regarding financial matters. He cannot talk to anyone, except, of course, the Prime Minister to whom he must entrust his confidence. Now, on this occasion, he has himself come forward to refer the matter to a Select Committee. There it can be discussed threadbare. Twenty-two Members of the Assembly are there on the Select Committee. That is a good departure. It was started last year and I am glad it has continued.

So far as the scanning of the budget is concerned, we spend about thirteen or fourteen days on it. Here I would like to make a suggestion. We need not have two discussions, but only one general discussion. As soon as the Budget is placed, the financial proposals also may be placed, and instead of starting a general discussion on the Budget, let us have the general discussion of the Finance Bill, where we can talk all things from China to Peru. In the Budget discussion, we refer only to the taxation proposal, not of the expenditure, and then devote some five days to the second part. We had so many departments in one day, Health, Education, Labour and Broadcasting, all on one day, and then we had to guillotine. Whoever may be the Minister or Member, you make him sit down in the middle of his speech, when the clock strikes the hour. Instead of that, we may allot one day for each of the departments, and in this way we will have a very good discussion of all the Departments.

Another suggestion is that the Budget proposals must, first of all, be placed before the departmental sub-committees of this House, relating to each Department. They should scan the.....

The Honourable Shri K. Santhanam (Minister of State for Railways and Transport): You mean the Standing Committee.

Shri M. Ananthasayanam Ayyangar: I am sorry, I mean the Standing Finance Committee. The proposals must be scanned by the Standing Finance Committee. All the items may not be scanned in one year. They may be divided into three groups, and during the course of three years all the items may come under the scrutiny of the Standing Finance Committee. I made the suggestion a number of years ago. The present Finance Minister was not here during that period. I now request him to take this suggestion into consideration.

The Honourable Dr. John Matthai: I take it that the honourable Member is suggesting something on the lines of the Estimates Committee of the House of Commons?

Shri M. Ananthasayanam Ayyangar: Yes. That is what I mean.

I would also urge that the Budget should not be a mere Central Budget or central finance proposals. I would say that before any Provincial Government or before any Provincial Minister introduces his budget he must consult the Central Finance Minister. Otherwise central financial assistance may be refused. As it is, we find over-laping of taxes. After all, who pays? Whether it is Central tax, or provincial tax or local tax, it is the same community that has to pay it These are only various agencies for the collection. So there must be some liaison. The Provincial Ministers must consult the Minister at the Centre. Take for instance the Health and Education Budget. There was some criticism here that we did spend enough. But have we got an idea of what the Provinces have spent? Therefore, in consultation with the Centre, their financial proposals and their budgets must be prepared.

Sir, I have done. I whole-heartedly welcome the proposals, though here and there they may require some modification, and I am sure the honourable Minister will be agreeable to these modifications, in the Select Committee.

Shri Mahavir Tyagi (U.P.: General): Sir, I want to raise one other important issue in the House to-day Independence having been achieved, I do not think anybody should now grouse or complain against taxation. Tax is a better money. Money in the State coffers according to my conviction, is a better money than any money in individuals' pockets. After all, this money comes from individuals to the exchequer of the State for the development of collective interests. I do not mind any tax., It may go to any amount. To me it will always be acceptable. I will never oppose any taxation. But at the same time, I want that the money which has been collected from each rich and poor, must be spent for the betterment of the people and must be usefully employed. I want to invite the attention of the House particularly to this matter. The time at my disposal is very short and I will not deal with many matters, though my points are many. Now, let us examine how this money is spent. A bulk of it goes to the Government Servants. In the old British days those who joined the State, including the Ministers, or rather they were advisers, or the I.C.S. people, joined because they wanted to make a living. So statecraft was also one kind of business. It also was an industry. People go to an industry to earn profit. So also they came to the State to earn a profit, and hence all this corruption in India. The British were here and they came to exploit our resources they therefore wanted to take home all that they could. Naturally those Indians too who served under them thought it to be their opportunity to keep from the British hands as much as they could, and for this they did not face any public condemnation. There is still a sort of the same feeling prevailing in the country. In the State people go in order to make their careers. I am not attributing any motive to the honourable Ministers. By State, I mean the whole structure of it. The people who join service do so just to have a career for themselves. Government servants come with the object of making their living as best as they can and their general tendency is to work less and expect more, *i.e.*, take more advantage as is the case of the labourers in the factories. Just as Industrial labourers in spite of all reforms their unions, Syndicates and other organizations with the help of labour leaders have achieved for them, work less and demand more pay. The same is the case of Government servants, they are also labourers whether educated, technical or uneducated labourers. That sort of thing has to be changed now. Now since the State is a Nationalist State, every money which comes in to the state exchequer must be usefully employed in the common good of the society as a whole. My first objection is that we must before demanding any increment in the taxes, first see to the items of expenditure and see whether it is being spent in the public good or is only benefiting individuals.

[Shri Mahavir Tyagi]

Now, Sir, as the honourable Sardar Ballabhbhai Patel in his note which he has supplied to us has mentioned, the strength of the Secretariat itself has increased by 468 per cent. that is, about 5 times as much as it used to be before the war. Sir, you can tax the people to any amount, but the tax-payer will also want to know why do you want an increase of 468 per cent. extra hands in the secretariat, when the British were able to carry on the administration with efficiency before the war with one fifth of the present strength. After all they wanted more vigilance, because the country for reasons of patriotism was set against them, they wanted more policing, because all of us were rebels, and they maintained quite a good order and carried on the administration of the State very efficiently with such a small number. Why then should we have such a big number? Therefore, my first demand is that the strength of the Secretariat must at all costs be reduced to the pre-war level. That is the demand of the people, which I voice here. We have practically accepted every demand in the Budget. We have given what they wanted, but at the same time let them also give us what we want from them. I demand that they reduce their expenditure on Services to as much as it used to be before the war. Of course, dearness allowance and other things will be allowed as extra expenditure, but the strength of the Secretariat must be reduced. At present, there are in the Secretariat 7 rungs, the Secretary, the Joint Secretary, Deputy Secretary, Under Secretary, General Secretary, and Chief Secretary; there are so many categories, it is difficult to know what their different titles are, but no one will take final decisions. Files would pass from one table to another. I know of files and the Finance Minister may kindly contradict me, if I am wrong, because I am a man of 'contradictions' and I am always contradicted. My information is that the file goes from the Finance Department with an objection to a Ministry; it comes back again; then another one objection is raised and in that way files instead of getting finalised in the Finance Department go and come back some ten or 12 times. There are a number of files which have gone and come back 12 times. All the objections are not raised at the first instance. When one objection is clarified, then another Secretary raises another objection; it goes back and comes back and this is how the Secretariat offices work. My demand, therefore, is that their strength should be reduced and if you must have so many Secretaries—I may also understand that—then they should expedite the disposal of work. I think the proverb was not wrong that 'too many cooks spoil the broth' and this is what happens in the Secretariat. I do not attribute any motive or dishonesty or insincerity to them; they are good people but even good people become bad if they are not properly managed. Even the planets if they were without a method, I mean the Moon, Sun, Earth and stars would all clash with each other. The first thing that we have to do is to establish order in our Secretariat and reduce its expenditure. I do not want to dilate more on this subject. If you want more Secretaries, then give them the final authority to decide things, so that the business may be expedited.

Another submission is that the honourable the Finance Minister has been dealing with us slightly unfairly and when I say 'us', I mean the United Provinces. My constituency people are not satisfied with the treatment meted out to our province. As regards the distribution of income-tax, half is given back to various provinces. As everybody knows in this House, Sir, my province is the biggest as far as population goes and still more populations are being added to it but we receive only 19 per cent. of the pool and Bombay which is such a small province receives 21 per cent. of the pool. Bombay is luckier.

An Honourable Member: What is your contribution?

Shri Mahavir Tyagi: If everybody is to receive according to contributions, then honourable members should not deny the waiving off of the taxes which the industrialists have contributed, and let the rich man who contributes more take more advantage. I believe in the ideal slogan of "from each according to his capacity, to each according to his need". My Province feels that it is being unfairly treated for a very long time. My province, I must say, has done much greater services to the people than other provinces have rendered. Today in my province there are thousands of republics, village republics organised. We have decentralised power on Gandhian lines. We have organized republics in all the places and then we have more than 5 lakhs of trained volunteers in villages; they are also trained in rifle shooting. This all requires expenditure. But when the question of money comes we are helpless. They also want us to procure more grains and give to other provinces. How can it be possible when you do not pay us our due share?

My third demand is that your accounts have not been audited. Why have the accounts not been audited so far? If they had been audited why a report was not placed on the table of the House? This is the responsibility of the honourable the Finance Minister. He has to explain to the House why he has not been able to do it. We are spending crores of rupees on the Audit Department (*An honourable Member*: 'You mean the Public Accounts Committee?'). I do not know whether it is the fault of the Public Accounts Committee or not, but they should have submitted a report, which should have been placed on the table of this House long ago. More than a year ago, it should have come before us. I therefore demand that the accounts must be audited and we must know and must be in a position to discuss the expenditure that you have incurred.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy-Speaker (Shri M. Ananthasayanam Ayyangar).*]

Then there is no planning. When we were in the Congress and fighting the British Government, we always said that our economy must be planned and our industries must be planned. I come from a hilly district where there are forests and jungles. The House therefore will excuse my 'foresty' manner of speaking. I submit that our industries and other activities are growing like the forests, a wild growth. Whenever it strikes to a Minister or a Secretary that such and such a thing should be done, it comes on the programme. For instance some Secretary has placed before the honourable Minister for Information and Broadcasting that there must be so many other radio stations. May be, some of my friends who are fond of good music have placed before the Minister their demands, and he has agreed to open a number of new radio stations. Is it time for music or radio or these luxuries? We must stretch our legs according to the length of the blanket. When we are hard up for money and we cannot borrow, why should we be spending people's money on things which could be avoided for some time? Our country can go on without broadcasting for the time being. When we become prosperous we can have radios and the like. At this stage what we have to do is to limit our needs and impose cuts in our expenditure. It is for the honourable Minister for Finance to tell his Colleagues that in the interests of the taxpayer extra expenditure should be reduced as much as possible. There must be a plan according to which every Department must expand. There must be a target fixed for every expansion in every Ministry. If a Department finds itself unable to reach that target within the time specified, the Minister in charge must have intellectual honesty enough to come before us and admit his failure and submit his resignation in all humility. The honourable the Finance Minister should put before this House, which represents the country, his five-year plan for every Department.

[Shri Mahavir Tyagi]

Another grouse of mine against the Finance Minister is that the villages have been totally neglected. We have not done anything for the villagers or for the improvement of the village industries while we do everything for the urban population. In such circumstances how can we expect the villagers to stand by us? My honourable friend Rafi Ahmad Kidwai has come out with a demand for crores for civil aviation. My opinion is that India must go slow. It is no use flying in the air when everything down below is slow. I can understand the development of aviation for military purposes. You may spend any amount for improving and adding to the air force. I have seen, during the war years, Chief Secretaries of Provinces and other I.C.S. officers—one among them is now a Governor in Pakistan—riding bicycles and freely moving among the people. Why should we suddenly develop higher standards of living for ourselves? We must set good examples for others to follow. If we here lay down high standards.....

Shri R. K. Sidhva (C.P. and Berar: General): You want to follow the example of Mr. Mudie? Do you know that gentleman?

Shri Mahavir Tyagi: Even 'gentlemen' sometimes do things which are really good and gentle!

Shri R. K. Sidhva: He was your United Provinces Governor once.

Shri Mahavir Tyagi: In our province he was our servant. He was a Governor in your Province.

Sir, if we are to have peace in the land, we must either add to the income of the consumer so that he can go and purchase his requirements, or reduce his expenditure. If you reduce your own expenditure and set a good example of simple living, the humblest man can follow that example without fear of being laughed at. Simplicity must radiate from the honourable the Prime Minister and from the Treasury Benches. In this way we can give the poor people some relief. In many ways we can reduce State expenditure and it we do this, people will voluntarily copy us and be satisfied with less expenditure in their own homes.

Now I come to taxation. The provinces are going on increasing taxation in an unbridled way. Every little thing the ordinary man eats is being taxed. I request the honourable the Finance Minister to place before the House facts and figures relating to the incidence of taxation in the country. We ought to know that. In the absence of that information we are groping in the dark.

Mr. Deputy-Speaker: The honourable Member has had 20 minutes.

Shri Mahavir Tyagi: Then, Sir, I will sit down now and take another opportunity to have my say.

Shri A. V. Thakkar: (Saurashtra): Sir, I was absent on the first three days when the general discussion on the Budget took place. Therefore I am taking this opportunity of drawing on the time of the House.

I thoroughly agree with you, Mr. Deputy-Speaker, in believing that the Budget is a balanced one between the rich and the poor. I do not consider that the additional taxation in postage as well as the additional taxation on coarse cloth is too much provided the poor man gets the benefit of it. At present Post offices are run on profit and therefore if the honourable the Finance Minister thinks that it is necessary to raise the price of post-cards from two pice to three pice I would not object on behalf of the poor man. But I am afraid I must say that our money is being spent in many other directions and

is mis-spent or ill-spent in the directions in which it ought not to be spent. You are proposing to spend too much, as my friend Mr. Tyagi said, on civil aviation. You are proposing to spend money on the purchase of ships. Seven crores are reserved for the purchase of ships from abroad. You are spending money on adventures such as state trading which may result in loss. I am not a merchant acquainted with these things. But I must say that we are not spending enough on health and education and labour also.

The honourable the Finance Minister said in his Budget speech that he has 24.20 crores for the nation-building departments and enumerated five of such departments. He has included even the development of civil aviation among the nation-building activities.

Prof. N. G. Ranga (Madras: General): Is it not?

Shri A. V. Thakkar: I am afraid not, Sir, for this reason that it is meant for the rich only.

Prof. N. G. Ranga: The poor man also must have strong defence.

Shri A. V. Thakkar: I am talking of civil aviation.

Prof. N. G. Ranga: It has to be developed in order to make the air force strong for use when necessity arises.

Shri A. V. Thakkar: Our viewpoints differ. The motorcars were not subsidised by the State at all when they first made their appearance in the country and yet they have become very popular. Why should we subsidise civil aviation? Will not aviation develop in the country as did motoring?

Prof. N. G. Ranga: This is only a subsidy. Is it not better than maintaining the whole thing ourselves?

Shri A. V. Thakkar: We do not want to travel at 300 miles an hour. A speed of 20 to 30 miles an hour is good enough for us. It is a matter of opinion. I wonder why we are starving education and health? You have earmarked only 24.30 crores for the purpose of all the 5 nation Building Departments. This works out to 7½ per cent. of the total revenues of 322 crores. Is that enough? This 7½ per cent. I must point out, is for 5 departments, Education, Health, Civil Avintion, Scieutific Snbjects and Broudcasting. The poor man has only to hear, because you have not been able to make him read so he has to hear news on the radio. However, out of this 7½ per cent. on the total expenditure you have devoted only 1½ per cent. to Education. 1½ per cent. it is only one pice in a rupee: please bear it in mind. The other day our Education Minister complained that he would like to have 10 per cent of the Budget devoted to Education I do not aspire as high as he does. I only aspire to 5 per cent—one half of what he aspires to. Instead of 5 per cent. even if you give 2½ per cent. the compulsory education of the poor man in the villages can get a start. At present it is kept at a standstill. It may be that the provinces are arranging for that. Yes, the rich provinces are, Madras, Bombay and other such provinces are. But the poor provinces can never go ahead with compulsory education without aid from the Centre. In fact, I go so far as to say that compulsory education must be made a concurrent subject between the Centre and the provinces: otherwise, there is no chance for universal education.

As regards the money devoted for health and medical purposes, you have already heard from our honourable Minister in charge of Health that she is working with a guilty conscience in being denied any money and still she is continuing working at it. It is a sad confession from a Minister in this House. Up to the day of independence, we were cursing the British Government for

[Shri A. V. Thakkar]

neglecting our nation-building Departments, but what are we doing now? Excuse me for saying this, it saddens me to say all this, but it is really so. If you raise the price of the postcard why did you not give a crore or two for health or education more than you have done? On the other hand, you have kept the same thing—almost the same thing, I would say. However, I leave the matter at that.

Mr. Deputy-Speaker: Does the honourable Member know what is spent in the provinces, all told, on these two subjects?

Prof. N. G. Ranga: Madras is spending Rs. 9 crores and U.P. Rs. 5 crores.

Shri A. V. Thakkar: Madras is spending 20 per cent of its income on education, still it is not able to meet the cost of compulsory education. Bombay is spending 16 per cent of its total Budget expenditure on education, still it is not able to meet it. But what are we doing at the Centre? We are giving lakhs and crores to colleges, universities, scientific institutions and all that, but we are giving not a single pie for compulsory education. That is my grievance, that is my rub and that is my anguish.

Mr. Deputy-Speaker: Shri Arun Chandra Guha. It is now one minute to one. Does the honourable Member want to start now, or will he do so after Lunch?

Shri Arun Chandra Guha (West Bengal: General): I will speak after Lunch. My name is there.

Mr. Deputy-Speaker: Yes, you will have your turn after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy-Speaker (Shri M. Ananthasayanam Ayyangar) in the Chair.

Shri Arun Chandra Guha: Mr. Deputy Speaker, Sir, the budget proposals have been bitterly criticised by the members of the House. But, since the general debate on the proposals of this budget, the tone of criticism has somewhat gone down but the attitude of the Members of the House, I think, has not substantially changed. This is due not so much out of any lack of confidence in the Members of the Cabinet as out of a sense of frustration. For years we have been appealing to the people to strengthen the nationalist forces and to come and join the fight of national liberation; and Congress and these leaders have given them lots of promises. But Sir, we understand, we know that it is not so easy to achieve those ideals or to implement those assurances; but we are sorry to realize that there has not been any earnest effort to achieve those ideals which we have so long placed before us.

The Father of the Nation has taught us to think about the seven lakhs of villages of India. These budget proposals, particularly the alterations in the taxation proposals, suggests an outlook which does not look so much to the villages as it does to the upper classes living in urban areas.

Sir, the Finance Minister has told us that for finding more revenue he shall have to explore the avenues of internal excise, which means an indirect tax even on the essential necessities of life. I can understand that as the cost of production has increased, the rate of postcards may be increased. The excise duty on cloth is a different proposal; and the language in which the honourable the Finance Minister has put his proposals for excise duty even on

coarse cloth, suggests that it has come to be something like a permanent factor in our economic structure. His argument seems to be that as cloth is of universal use; so it will be the easiest thing to tax and only in this way can our Government make up the loss accruing from the abolition of the salt tax. But in view of the fact that we have not been able to give any relief to the poorer classes in the villages of India, I doubt, Sir, if we have any moral right to tax them, even in the case of articles which are of the barest necessities for them. There is one political aspect of this also.

We know that there are some political parties in the country who are out to exploit all our deficiencies, all our weaknesses and failures, and to undermine the social structure that the Congress and the Government want to build up. These men will simply go to the villages and speak to the rural people there and tell them that their coarse cloth has been taxed, and the price of sugar and postcards raised, by their Congress Government I hope the Government will take note of this.

Another thing which has led to a sense of frustration is the costly nature of this Government. In the Jaipur Session of the Congress we have passed certain resolutions, and even after that the All-India Congress Committee office issued a circular that the entire nation should be conducted on the austerity basis. We take it that that is the standard which the Congress has set up not only for the people but also for the Government. But as a humble Congress worker, I would like to ask the Members here, if they can say that our Government machinery is really being run on an austerity basis. Sir, several speakers before me have put this feature in very eloquent terms and I would like the Government and our Ministers to try and see if they can really do something which can have at least some conformity between the ideals set up by the Congress and the works of the Central and Provincial Governments run in the name of Congress. There should be some conformity and consistency between these two. We have inherited this machinery from the previous alien Government. We have inherited along with this some practices also. The presenting of the Budget also is inherited from that government and the criticism that has been going on in this House, I am afraid, is also something like an inheritance which the Members of this House has got from the previous House. Some of the Members previously were sitting on the opposition side and I think most of us, whether new to the legislature or not, have not yet been able to overcome our natural tendency of criticism and opposition, for we have been so long conducting a bitter fight against the previous government, which after all we have been successful to remove. The Government that has stepped in has not just come up to our expectations and even though intellectually we may realise the difference in our emotion and sentiment, we do not.....

Shri K. Hanumanthaiya (Mysore State): Sir, the honourable Member can speak for himself so far as his psychology is concerned but he cannot take the responsibility for the views of other Members of the House.

Prof. N. G. Ranga: You are also speaking for yourself.

Shri Arun Chandra Guha: Yes, I am speaking for myself as everybody does. In that way we have been moving in a somewhat vicious circle. The Budget, particularly the demands side of it, should have been subjected to greater scrutiny by the House. It is not possible for the whole House to scrutinise it but it can do it either in Standing Committees or in certain sectors or groups. All these demands should have been more minutely scrutinised. All the discussions have been more or less in the line of giving general ideas as to how the Government should frame their social and economic programmes.

[Shri Arun Chandra Guha]

I am a new Member of the legislature. This is the first experience of mine in a legislature and I was rather wondering when a Finance Bill was under-discussion, how all sorts of things could come under it. From my experience of last year and the debate yesterday I can say that the discussion on the Finance Bill was not on proper line; it should have been particularly on the taxation proposals and the consequent financial condition of the country and the Government.

There is one aspect of the budget proposals not only of this Government but also of the provincial Governments. Every province has presented its own budget and the *per capita* expenditure varies from province to province—from Rs. 26 crores in Bombay to near about Rs. 4 or 5 crores in poorer provinces like Assam and Orissa. We belong to one country and we cannot create a sense of one nationality if such disparity is allowed to continue in the civil expenditure of the provinces. I do not know how that would lead to a sense of one country. One province may initiate the policy of compulsory primary education and another province may feel handicapped even to conduct the most ordinary routine work. I agree with Mr. Tyagi that it is not a question as to who contributes how much to the general revenue of the country as a whole; but there should be some parity between the provincial budgets, so that people of each province could have an idea of oneness of India and of having the same degree of amenities and same amount of nation building activities going on in all the provinces.

As for the taxation proposals as I have stated before they are framed too much from the point of view of city life and not from the rural point of view. This is reflected most pointedly in the disparity between the provincial revenues. There are provinces which have developed some big industries and which have developed more of urban life. They have greater revenues and the natural tendency would be that other provinces which are called backward will also try to emulate them and develop big industrial urban life neglecting their agricultural and rural life. Such an experiment was made in Britain and other European countries in the 17th, 18th and 19th centuries and they neglected their agriculture with the result that now they find themselves in a very difficult position. They are making amends for their folly. I hope our government will not make the same mistake and allow our agriculture to be neglected and the village life to be neglected. At the cost of village life if we build up an urban civilisation it would be a wrong policy and on the whole the budget proposals seem to me to be tending to that direction.

Shrimati G. Durgabai (Madras: General): Sir, in the years before the war one source of constant criticism both of the Central and Provincial Budgets was that the provision made for the nation-building activities was utterly inadequate not only from the point of view of the needs of this backward country but also from the point of view of the available revenues. With our present scale of expenditure where is the hope of building India after she has emerged out of her slavery and become free? But I do understand and I also realise that the internal and external security services have absorbed a good proportion of the expenditure in these difficult times during the last two years. Of course it may largely justify the undue pre-occupation with security but I fail to understand why a better place could not be given to these nation-building activities in this budget. My criticism is not so much with what has been but with what it to be. There is no indication even that we are going to plan for better things in the future—prevention of disease, medical relief, free compulsory education, etc. These are plans that would require our concentrated efforts. The realisation of even a modest standard in these things would perhaps take a quarter of a century and we have not even yet made a good beginning. We have chosen to give priority to a number of things. We never thought that due to our

sheer inability to pool our food resources and distribute them equitably we have to enter into ruinous expenditure on subsidies and on imports. Nor did we ever think that our administrative services would consume more and more money and give less in terms of services. Sir, expenditure by itself would be no measure of our achievement. Social justice will have little meaning if it means equal poverty for all but not equal riches for all. During the debate on Demands I have heard practically every Minister appealing for larger funds for the activities of his Ministry. Specially two Ministers, the Minister for Education and the Minister for Health have made appeals for larger funds. They expressed their inability and their helplessness. I only wish that their appeal would have fallen on the ears of the Finance Minister and that he would find his way to get the Committee agree to these proposals that a larger sum or a little more sum may be given for the activities of these Ministries. I have heard Thakkar Bapa who spoke before Lunch and he was also urging for the same. But my experience during the short time I have been in this House is that whenever we talk of education we hear Members and others saying that it is a provincial subject. The other day an honourable Member asked if really education is a provincial subject then why is it that a Ministry is there at the Centre and whether it is meant only for education in the Centrally administered areas. Our point is that though education is a provincial subject, the Provinces will come to the Centre very often for grants to Universities. We have seen how much money is earmarked in the Education budget for University education. Many backward regions like the States of Orissa, Chhatisgarh, Himachal Pradesh, Rajputana, Gujerat have all formed part of the Indian Union today. No thought seems to have been given for the education of these backward areas.

Prof. N. G. Ranga: But they have their own local resources. Their revenues do not come to us.

Shrimati G. Durgabai: It is the responsibility of the Centre. Also very little portion, a negligible portion, of this is being given to the education of the masses in the Centrally administered areas like Delhi, Ajmer-Merwara.

Shri R. K. Sidhva: Gujerat is not backward.

Shrimati G. Durgabai: It is. One point I wish to say in this connection is that we are giving so much money by way of aid and grants to the educational institutions and Universities. My primary quarrel is not why we are giving them. But when we have set apart so many lakhs of rupees for the purpose I wish that the Centre to the extent to which it makes grants should also have certain powers of control. If the Universities go wrong they should have a hand in and the power of setting right the policies or programmes followed by those Universities. We have been hearing so much about the Universities, that all is not going well with regard to several of the Universities. When the Centre is giving so much money by way of aid and grants to these Universities certainly we should see that the Universities follow a progressive course. I think the Universities which have become very orthodox in their outlook should be asked to keep themselves abreast of the times. I do not mind if the management of these Universities becomes in course of time a Central subject in the interests of several matters. (*An honourable Member*: 'It cannot be done').

In regard to the proposals in the Bill, so much has been said about the increase in postal rates. I think the criticism is right in a way. But the criticism is based mainly on two or three points. The first objection is that people who will not benefit by the air mail service will be paying for those who are getting the benefit. Another objection is based on a psychological ground. A third objection is raised on the point that this is a commercial concern and the suggestion is that it should take up the service mainly in the spirit of service and not in a commercial spirit with a view to making profits. These are the three

[Shrimati G. Durgabai]

objections raised. I think the psychological objection does not really matter very much because the villager's complaint is not that he is asked to pay much but that he is not having the amenities. If only we give an extensive service of the Postal Department I think he will have very little cause to grumble. But today we do not have the facilities and several villages have no post offices. There is lot of delay in the delivery of letters. My honourable friend Mr. Rohini Kumar Chaudhuri pointed out several difficulties of those Members who frequently write on several matters and I need not elaborate those difficulties here. I only wish to urge that the system should be extended with a view to giving more and more facilities from the point of view of the convenience to the villager. I understand that only 2,000 new post offices will be opened in the future. I do not think it will be adequate compared to the needs of the villager and the inconveniences caused to him. I appeal that the service should be undertaken mainly from the point of view of service and not from the point of view of making gains. Of course it can be said that several departments, say, the water supply department and other departments are making similar gains. But certainly this is the least that we can do to help the villager. The villager will not mind paying a little more if we are able to extend many of the facilities to the villager by arranging to have quicker delivery of his letters and also by placing adequate facilities and benefits of the post office at his disposal.

I have got to say one word about the duty on cigarettes. I am glad that it is a protective duty. But I understand that in last year's budget there was an import duty on tobacco and this year I expected that it would be enhanced a little more because I thought that it would minimize smoking, at least among juveniles. I know that there are Provinces which have enacted legislation prohibiting smoking by juveniles and the honourable the Finance Minister should have done some such thing.

An Honourable Member: What about women smokers?

Shri B. L. Sondhi: What about Begum Rasul?

Mr. Deputy-Speaker: Order, order. No personal references please.

Shri H. V. Kamath: To refer to women in general is no personal reference.

Mr. Deputy-Speaker: It is not right to make a personal reference like that however humourous it is intended to be.

Shrimati G. Durgabai: I have particularly drawn the attention of the House that a little increase in the import duty on tobacco would have minimised smoking, at least among juveniles and I have made no particular reference to any section of the House. I know some Provinces which have passed laws prohibiting smoking among juveniles. It would have been a very good thing if only we had followed this.

Sir, I do not want to take more of the time of the House as there are other Members anxious to speak.

Prof. Shibban Lal Saksena (U.P.: General): Sir, I am very thankful to you for giving me this opportunity to speak on the Finance Bill. Before I commence my speech on the Bill I wish to say something about the manner in which we discuss the Budget. For the last nine days we have passed grants of about Rs. 340 crores, and as has been very clear to the House we have not been able to discuss the activities of the Government properly. In fact on one occasion, four Ministries were given only one day for discussing all of them. I hope that next time we will be able to see that each Ministry gets at least one day and that the Ministries of Defence and External Affairs get at least two days each. The Assembly should have full opportunity to discuss the budget proposals and to offer adequate criticism to the honourable the Finance Minis-

ter and other Ministers so that they may be able to give us next time a better picture of things. Besides, the present time limit of ten or fifteen minutes for each speaker is too short. No speaker should normally be pulled up unless he has exceeded half an hour.

Coming to the Budget itself, I feel that much has been left for the Select Committee to do. As my friends here pointed out in the beginning, this Budget is not what we would like it to be. In my opinion the expenditure on certain items should have been very much reduced. (*An honourable Member*: 'What are they?') I have already said that on Defence we can reduce the expenditure by about 37 crores because until we have a fully developed industrial supply behind our forces, it is no use spending too much money on the forces. Modern armies cannot be kept in the field by merely having a large number of men in a standing army. I would suggest the formation of more *prantiya raksha dals* and national militias as well as spendng more money on developing the required industries so that we can at least to some extent realise our great industrial potential which alone can enable us to keep any large army in the field. So, there should be reduction in Defence expenditure by some 37 crores of rupees.

3 P. M.

In the Civil Administration there should be a cut of at least 18 crores. From 7.5 crores before the war the expenditure on Civil Administration has increased to 48 crores, so that it is about seven times now. That obviously is too much. It must be reduced by at least 18 crores to bring it just to four times the pre-war figure, in order to equate it to the higher cost of living index.

I suggest we must stop food imports. I was glad to hear the announcement the other day that we shall have no food imports from 1951. I think even that date is too late. At best I can permit food imports for one year more and during this year we must make all efforts so that we can grow more food. We can give the amount spent on subsidies in helping cultivators to grow more food. We should also see that all other sources of food are fully exploited. I feel we are not making the most economic use of the food we have got. There are still so many dinners and parties and there are no restrictions on them. We are not trying to conserve our food in the manner we should. Seeing that these food imports upset all our projects and national plans, I think we should take special measures to see that food is not wasted and no food is imported after March 1950. In this way I think we can save about Rs. 100 crores from going out of the country in purchasing food, and we can reduce the subsidy this very year by at least 20 crores.

I also think that in taxes a large sum is evaded. If that is properly collected, I think we can easily increase our tax collections by 25 crores and thus have a saving of 100 crores in the present budget.

About the way in which the deficit has been met, I should say that some of the duties are such which a Congress Government at least should never have proposed. I cannot reconcile myself, inspite of all that has been said by the honourable Minister for Communications, to the increase in the price of post cards. It is the lower middle class who will have to suffer most; I don't think that we should raise the rate even if the service costs a little bit more. We are taxing the rich to help the poor, and if we have to give a subsidy for post cards I think we must do it and must not grudge the poor man's post card and raise the rate. I think this is a thing on which the whole country feels strongly. After all we do not get much; we hardly get anything by raising price of post card, and yet there will be a cry all over the country that we have raised the price of the poor man's post card.

[Prof. Shibban Lal Saksena]

There are two other things which are very much felt. Duty on matches is one. I would not mind the rise provided people got matches at control price. At present the blackmarket price is actually at least three or four times the actual price. The Finance Minister should see that matches are sold at controlled price. Then, of course, I would not mind this increase. But if it is to be added to the blackmarket price then it would be too much.

About the duty on coarse cloth; although I would not mind raising the duty on fine cloth, on coarse cloth it should not be raised. Blackmarket in cloth exists on a large scale and it should be abolished—though I know it cannot be done by the present policy of the Government. But if this increase is only to be added to the blackmarket price then it would be too much and too hard for the poor man and it should not be done.

About the other sources of income I have not much to say except that the amount of relief of about Rs. 6 crores given to the industrialists is really so much money wasted. From all the reactions of the industrialists and financiers we find they are not at all grateful for the relief given to them and yet we are losing a good amount of money for nothing. These measures could as well have not been taken and we should have continued to keep the taxes as they were.

Sir, I believe the Select Committee to which the Bill is going will try to see that its provisions are suitably amended and that we are able to present to the country a Budget which will be a Congress Budget and not what I think is at present an industrialists' Budget. This playing with our finances will not do. Our country has just emerged from slavery and we are still, inspite of our size, one of the weakest nations of the world compared to the great Powers like Russia and America. I have said before that our speed of development is too slow; when we compare the national programmes of other countries with our own, I am simply stunned. I read the speech of the honourable Minister for Transport and the promises which he made; I also read the five-year plan in Russia about transport. They are putting about 10,000 miles of new railways within the next five years. They will have reconstructed all the railway lines which they lost during the war and will increase them by about 7,000 miles by 1950. We have not yet probably been able to reconstruct the railway lines we dismantled during the war not to say anything of increasing them. I feel that we must have a national plan as I said the other day, in which transport which is one of the bottlenecks, and industrial development, must have priority. It is really shameful that a country like India should be importing food worth 130 crores and that our yield per acre should be so low. The Food Minister stated that even though we are trying to increase the extent of our cultivation that is not the solution of our problems, that until we increase the yield per acre we will not be able to solve our problem. I know in our country the produce per acre is some times one-fourth or one-fifth of what it is in other countries. So, this is the most important problem to solve. Planning in food, planning in industrial development and planning in transport, these are the keys to our recovery. I want that the Finance Minister should try to do these things, formulate a plan and try to finance it. Even the Birla Plan had proposed 1,500 crores to be spent in the next fifteen years. Our Finance Minister was one of the authors of that Plan and I had hoped he would at least set apart that portion of the finances for development which he had proposed in that 15 year plan. But, I find nothing. Instead he is spending away 100 crores out of the balances. In fact, our revenue is less than our expenditure by some 135 crores this year. I therefore think that until we try to take stock of our present

position and determine the speed with which we want to proceed and attain our proper development. I do not think we will be able to live in this world. This is a world surrounded on all sides by men who are not very friendly to us. Unless we have got a strong army and a strong industrial potential and a higher income, we cannot exist.

I fully agree with what was said a little while ago that no nation can become great, unless every one of its inhabitants is physically and mentally healthy. But the amount of money spent on these development departments is far too low, and I think our Education Minister was quite right in asking that at least 10 per cent. of the money should be provided for Education, and similarly also for Health. Indeed, unless the nation's health and Education improve, our country cannot improve. Therefore I hope that next time when the Budget is prepared, it will provide funds for allround development according to a plan. The other day the Finance Minister told me in regard to my reference to the great advance made in Russia that it was also due to the profit motive. In reference to the Stokhanov movement also to which he referred, he said the achievement was due to the profit motive. But it is not so. There they have combined in a wonderful manner patriotism with extreme eagerness for national development and their own country's greatness in the world. I do not mind his analysis of motives if he tries to make our country also great in the same way, or if he tries to increase the total production, to increase the production of our workers, by using all the motives which other countries have made use of for increasing their output.

I hope all these suggestions will be taken into consideration and next time we will have a really good budget. I hope also that the Finance Minister will take advantage of the criticisms offered in this House in preparing his next budget.

I support the motion for reference to the Select Committee.

Shri M. Tirumala Rao: Sir, these are days of rationing, rationing of food, rationing of cloth, rationing of time and rationing of discretion and judgment, and I have been long standing in the queue in the hope of receiving my dole. I was nearly going to be starved, but for your generosity in calling me up now. I am not one of those who want to butt in during the discussion every now and then, because we have been long enough here enjoying the pleasure of listening to our own voices. Therefore, unless we feel that there is something about which we have to speak plainly and bluntly, we will not speak. Unless I feel that way, there is no urge for me to stand out and waste the time of the House.

Shri R. K. Sidhva: That is the case with every one.

Shri M. Tirumala Rao: I am speaking for myself only. I do not presume to speak for Mr. Sidhva of all my friends here. Mr. Sidhva is a party by himself.

Sir, the present administration is going on upon the force of and the velocity of the previous administration. That velocity cannot be resisted by the present set-up of the Government. Simply we are carrying on on the force that was generated by the Government in 1946. So there is no use blaming any set of individuals for the circumstances in the country. The Finance Minister is in a very difficult position. He is trying to lift the country out of the morass and the mess into which it has fallen. He wants money. But when the Government goes to the market, the public will not subscribe. The capitalists, the people who have hoarded large volumes of currency, they will not co-operate with the Government, they do not come out and subscribe for the loans. They have indeed beaten the Government

[Shri M. Tirumala Rao]

and they have compelled the Government to show them concessions with a view to see that their huge hoarded money comes out. As I spoke in the opening of the general discussion on the Budget, Sir Archibald Rowlands gave Rs. 60 crores to these very financiers and he could not reap any profit out of it. Now the present Finance Minister has come out with a much smaller amount and it remains to be seen what response he gets, and how far his hopes and expectations will be realised from these very gentlemen who have not very much changed in their outlook. The Finance Minister has got large development schemes, but our money is all held up. In one respect it is blocked up in England, in regard to the sterling balances. You can only draw it out in certain amounts and over a small period of years. You cannot draw it out or make use of it for the purpose of raising a corresponding loan in the open market. Therefore we are obstructed in two ways. Internally we are not able to raise sufficient money, and externally we are unable to use the credit which we had built up by hard scarifice. In these circumstances, the Budget is bound to be a sort of hand-to-mouth one, one which simply keeps things going on the rails without a break-down.

There is, of course, the taxation of the small man, but I do not want to dwell upon it because I do not want to repeat the arguments which have been already advanced. The Finance Minister is also helpless. He is seeking the advice of 22 wise men of the House, in the Select Committee to give final shape to his proposals.

Our present Budgets—both the Railway Budget and the General Budget —come to about Rs. 500 crores and the national income is over Rs. 2,500 crores. So nearly one-fifth of the income is collected by way of taxes. If we raise the standard of our country, and improve the national income by double, if you improve the national income to about 5,000 crores, the national budget will also correspondingly improve, and in the near future if we succeed in our plans, the budget may come to Rs. 1,000 crores a year. But to achieve that we require planning. The Prime Minister and the Deputy Prime Minister told the House recently when their demands came up for discussion that they have rescued the country from the post-freedom perils, the unsettled state and the riots, and general disorders. The country is now internally safe, and perhaps also safe from any external trouble. Now is the time when we should consider how far we can advance on the road to progress.

Sir, all these Departments have been working in the usual old style. The red-tapism which everyone is condemning is still there. During the war, the administration has been carried on more by discussions than by files. But now you have got a tier of Secretaries, Superintendents, Assistant Secretaries, Deputy Secretaries and so on. The Secretaries and all of them noting one after another on the files, so much so that the quantum of service was the quantum of disposal of files and the Government of Madras has said that a Secretary must dispose of 6·84 files a day. Sir, is this the yard-stick with which to measure the achievement or out-put of our high-paid officials? Not the amount of practical result that has come out, but the number of files disposed of. You have got man-hours for labourers, and you also have units for industrial production. But there is no unit by which you can measure the work that is turned out by these high officials of the Government except the number of files that they dispose of. I would suggest that there should be a Co-ordinating Minister for every two or three Departments, and this Minister should go about to other Ministries and see that it does not take more than five or six days for the final disposal of the files.

Shri Jaspat Roy Kapoor (U.P.: General): You want a new Ministry with secretaries attached to it?

Shri M. Tirumala Rao: I want these ministers among themselves to redistribute the work and do it. Therefore, what I want to suggest is that there should be a thorough overhaul of the administrative set up of this Government. The Prime Minister cannot be burdened, situated as we are with any partioular portfolio, especially the portfolio of External Affairs. He must be relieved of that. He must be a super-minister presiding over all the ministers, get into daily contact with each minister and see how results are being achieved in his department. I do not know why there is no Ministry for Planning. We have got a big Ministry for Industries and Supplies; it has got 27,000 people working in the Department, with Secretaries, Deputy Secretaries and Joint Secretaries, a whole paraphernalia of a huge establishment and what is the total achievement for the year? With regard to Sindhri Factory and a factory for making small mathematical instrument, the total expenditure is 20 crores of rupees. It is a mountain in trouble bringing in a mouse and with regard to other things, they are controlling cement, and iron and all these things; they have a number of purchasing missions in England and America; these are cushy jobs and eminent politicians have gone to America as leaders of purchasing missions and businessmen will always like to be on these missions and it is a very fine job. If you advertize in all the various papers, all the industrial producers will come here in quest of custom and there will be no need for these missions. I want to draw the attention of the honourable Minister to this that when there is a purchasing mission in America to negotiate for certain articles and goods that are required for a particular department, over and above the head of that mission, the Secretary of the Department goes and again negotiates and duplicates the same work that is being done. These are the things that have to be examined. This Department of Industries must be a real Department of Planning for this Government and for this country and see how far we will be able to achieve a 10 years plan in the matter of developing all the industries of the country. You have started an Industrial Finance Corporation and I see that is a mere technical Corporation which has disbursed a meagre sum of 1·8 crores during all these years

The Honourable Dr. John Matthai: It is over 2 crores.

Shri M. Tirumala Rao: Of course, I am sorry, I have made a mistake of ·2 crores in that. This is tinkering with the problem. We do not seem to have realized the liability. I do not blame anybody because we are hardly out of the troubles which were created for us by the situation of this partition. With regard to other Ministries also, I want to say this. The Ministry of Defence must be split up into the Ministry for Air, the Ministry for Land Forces and the Ministry for Naval Affairs. Do not mistake that we are creating a large number of ministries for finding jobs for people. I would like to impress upon my honourable friend Mr. Gadgil that there won't be division of power with regard to his Department; he can be the supremo lord of his Department, but what I suggest is that in a country like England, there are 63 Ministries, 24 ministers of Cabinet rank and 40 others, people who are taken out from the political life of the country, trained and fitted for public work. Here, our Government is a Government of the people run by the Bureaucracy for the people with the Heads of Departments as Ministers. I must tell you they are the real advisers and they have greater status than your Deputy Ministers; some of your Secretaries have greater status than your Deputy Ministers and have greater influence than your Ministers of State. (*An honourable Member*: 'England has no provinces.') Never mind that; they have got a big empire. What I want to say is that there should

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be a Ministry of States and Home. Home is a big affair. With the Communists in the offing, creating trouble all over India, is our Central C.I.D. fully developed and equipped to detect the crimes properly and to get at those leading communists who are underground today? All the leaders of the Communist Party have either escaped from the jails or have escaped from being arrested, and is the Central C.I.D. running them down to earth? We want to develop something like the Scotland Yard of England and such as those which are being developed in France and America by which we can deal with the criminals that are going to subvert our newly born State?

I do not want to take much time of the House, but I submit we should be thinking on these lines of re-organising the Government and look far ahead than merely to carry on the Government as we are doing for the past two years. When you go before the people and ask for a renewal of the confidence in us, what is the great achievement which we could show to our people? (*An honourable Member*: 'Nothing') It is easy to say 'nothing' but the country has been saved from internal trouble. Really the grit and the power and the strength shown by the Central Government has warded off many a danger to this country and now that we have achieved some stability with regard to our internal security, this is the time for planning.

We have been going about beating the word "Secular State" to death. Everybody has got his own interpretation of the word "secular", but have our leaders got any conception of what form this State should take? Has India got a culture, has India got a civilization, has India got a future role in history to play, and if that is that, it must be embodied in the actions, lives, ideas and thoughts of our leaders. Whenever you think of safeguarding the culture of this country, let us not forget that the culture is something which has to be preserved and handed down to future generations. (*An honourable Member*: 'Entrust it to Province'.) Sir, it required a Griffiths to translate our Vedas; it required a German Savant Maxmuller to discover the greatness of the Upanishads and when these Western Savants have told us that there is an imperishable glory in the religious lore of this country, it is our duty, as representatives of the people to preserve it, to enhance it and to hand it down as the greatest gift for civilization and humanity. What is this Government doing? The education of this country must be shaped by people who have got an inherent faith in the culture of this country and that has to be developed in all its aspects, both in its artistic as well as its cultural aspects. That is the duty which we should not forget. I find I have not directly dealt with the details of the financial proposals which have been talked about all these days by all the Members of this House, but I hope I will be excused for taking this liberty of bringing these points before the Government and I wish—I do not know whether other Ministers would atleast hear from others—that some of the Members have spoken like this, if they do not read our speeches.

Shri L. Krishnaswami Bharathi: Sir, I was really surprised when my name was called at the fag end of the day, though I have been waiting for long.

Mr. Deputy-Speaker: The honourable member asked me not to call him at all.

Shri L. Krishnaswami Bharathi: I am only thanking you, Sir. I do not think that I have got any new points and honourable Members have already covered many points. I want only to refer to certain observations made by honourable Members. Members referred that there is lack of coordination between the Central Budget and the Provincial Budget. You, Sir, also said that the Provincial Revenue Minister must come up and

we must have discussions before the Finance Minister presents a budget. I for one am totally opposed to this idea of provincial budgets being subjected to previous consultations. There are many practical difficulties, Sir, and I do not think the Provincial Governments will agree to this course. After all, subjects are allocated specifically and there is no reason why the Provincial Governments should come before the Centre for any previous consultation. It will be cutting at the root of Provincial Autonomy if such a precedent is allowed to be practised. For one thing, Sir, in Madras they have gone ahead with the prohibition. I am glad and proud of that. Though not directly, the Central Government advised that they may go slow, but the Madras Government have gone ahead with prohibition with wonderful results, and therefore, oftentimes such conflicts might arise and it is not desirable or advisable that they should come up to the Centre for previous consultation.

Sir, in this Budget, I particularly welcome the abolition of salt duty once and for all. One honourable Member suggested that the salt duty might be revived. I remember Mahatma Gandhi stating that people might grow insane to think of reviving salt duty. I am happy, Sir, that the salt duty is discontinued, I hope, once and for all.

I particularly welcome the duty on cotton cloth. There is already 25 per cent. *ad valorem* on superfine cloth and 6¼ per cent. on fine cloth and quarter of an anna per yard on coarse and medium cloth. You, Mr. Deputy-Speaker, supported the measure and I agree fully with you, Sir.

There is one other aspect which I wanted to stress and for this purpose I was anxious to have an opportunity to speak. The incidence of taxation is no doubt very small, as you rightly pointed out. It is only quarter of an anna per yard. But along with the idea of taxation, there is one other important fact which the honourable the Finance Minister has mentioned in his note, *viz.*, that it will be a sort of indirect help to the handloom industry. I would like to dwell at length on this matter, particularly as South India is a centre of handloom industry. It is going through a great crisis and this quarter of an anna, a small duty on cloth, I am afraid, may not help to any great extent to save the handloom industry from total extinction. I understand that there are six lakhs handlooms in the Madras Presidency and about 10 people working on each loom. That means, 6 million people are working on handlooms. Already, there is a plethora of handloom cloth in Madras. In this connection I had a question put to the honourable Minister for Industries and he was pleased to say that handloom cloth was exported from Madras. That is so. Whenever people talked of scarcity of cloth, it was to scarcity of mill cloth that people referred to. But handloom cloth cannot face the competition of mill cloth. I am very glad that, very recently, they have allowed the export of handloom cloth to other countries. But what is the result? If anybody looks into our export trade figures, he will find that there is very little scope for handloom cloth. The markets are all closed for handloom cloth. Foreign countries have switched over to other varieties of cloths. The result is that we are unable to find demand for our handloom cloth outside India. In Madras they held recently a conference of co-operative societies dealing in handloom cloth. Large quantities of this cloth are lying unsold. People do not know what to do with them. The position has become almost critical. It is an obvious truth that handloom cannot stand competition with cloth from the mills. It is just this thing about which Mahatma Gandhi said that the life of all these people depends on the non-existence of mill cloth. Therefore, if you do not take sufficient measures in time, I can prophesy that within a short period of time the handloom industry will become totally extinct. Today, in Madras, there is

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already a large quantity of unsold handloom cloth. Not only that; there is plenty of mill cloth also coming to the market. There is no demand for that too.

Recently an official of a Bank told me that he was not able to clear a Bill from the Ahmedabad mills for a long time with the result that he had to pay demurrage ultimately. These facts must be taken into consideration by the honourable the Finance Minister and see the handloom industry is saved from extinction. I do not mind even a greater increase of duty on cloth. But then I may be asked, 'Will you not be hitting the poor man if you increase the duty on coarse cloth?' My answer thereto will be to direct attention to Mahatmaji's writings in a book called 'Cent per Cent Swaraj'. He wonders 'Why anybody should think of a cloth as dear, when we are taking into consideration only the actual wages of labour for 8 hours of honest work. After all, I am concerned with the poorer set of people who are without employment and therefore when you say that this cloth is dear, there is no point in that. No doubt, it is true from your selfish point of view of purchasing cheaper cloth, but for one moment think that there are thousands of millions of people who are working on looms to make the cloth you are purchasing and whom you are almost driving to starvation. Therefore this kind of duty will be justified on the ground that if people will be forced to purchase handloom cloth, that will be giving employment to those who are engaged in the handloom industry. It is only from that point of view that I support the duty on cotton cloth made in mills.

There is another matter, to which I want to refer. The honourable Member Mr. Mody said that there was a lot of money in the villages. I do not know to which villages he was referring. I do not know the case with the villages in Bombay. But some ten days back I had been to my village and I can give the House the economic position as I found it there. My visit to the village was in connection with selling the little paddy I had to the Government. There was the procuring agent of the Government present, but he had no money to pay for the article and asked whether he could pass a pro-note to me. Look at the absurdity of the position? I waited for two or three days and then the official sent another procuring agent to me. Then I made enquiries and found that people were selling paddy at rates lower than the control price. Last year it was the other way about. The procuring agent was ready at my threshing floor with money to buy my paddy. The black-market price was then double the control price. But today, as I said, control price is higher than the prevailing rate. Therefore I think that the honourable the Finance Minister is right when he says that the prices are likely to fall in the near future. This shows that there is no money available in the rural parts. I cannot speak with authority about the other villages. But I know that the same thing is happening in the Tinnevelly district. Then while at Madras an official narrated to me the same story; he told me that reports from Tanjore district also showed that control prices were higher than the market rates. Some three months ago there was plenty of money in circulation. But now particularly in the villages there is no money. That accounts for the low prices and prices below the control level. I may be asked: " What has happened to all the currency notes in circulation?" I am not a currency expert, but I feel that the reason is the fear of depression. On account of this fear people are wisely keeping the money in their hands tight.

It is not the total money that counts, but the velocity with which money circulates. That velocity has now stopped. That circulation has now stopped. The money is already there, but people—fearing the depression will be on soon—do not want to invest, they do not want to send the money again into circulation. They have stopped the circulation, with the result that the depression is coming on. Therefore, Sir, I would request the honourable the Finance Minister to take into account the downward trend and adjust his measures accordingly.

I would also like to refer to the postal rates. Really, psychology plays a large part in this. I see no reason why the surcharge on air mails should be abolished. For one thing, the richer types of people when they like to have their mails sent by air may like to pay surcharge. I do not mind if the surcharge is increased. I would like the Select Committee to increase the surcharge on envelopes or even on postcards. If anybody wants his mails to go quickly, let him pay higher charge. There is the other difficulty also. After all, Government have said that they would carry only 25 per cent. of the mails by air, and it is rather difficult to sort out which 25 per cent will be sent by air. So the surcharge idea is very good and there is no reason why it should be abolished.

There is one other aspect and I am done. There must be, as Mr. Tyagi said, economy in the administration of Government. The Economy Committee has already submitted its recommendations. Last year, if I remember aright, the then Finance Minister said that he proposed or intended to give effect to the recommendations as and when interim reports were received. That was the assurance he gave us. I see no reason why the change in Minister should be responsible for giving up the idea of giving effect to the recommendations as and when they are received. If that assurance had been kept up, it would have been well. The idea of submitting the recommendations to the Standing Committee is not, in my view, quite desirable or advisable. It is for the Government as a whole, and the Cabinet, who can come to quick decisions. I would therefore request that Government might take into consideration the Economy Committee's proposal and give effect to their recommendations as early as possible.

Shri K. M. Munshi (Bombay: General): Sir, though very late in the day, I may take this opportunity of congratulating the honourable the Finance Minister on the soundness of the outlook which has characterised his Budget this year. It may be that my view may not be shared by some Members in this House, but I know and I say this with my knowledge of the feeling in the country, that this Budget has done more to steady the panic in the country and to stop the rot in the economic structure than the last two Budgets that were placed before the House. I am not saying this for giving an ordinary compliment, but I know the feeling, the impression, particularly among those circles which have to deal with industry and commerce. If the honourable Member continues the course which he has adopted, with courage, I have no doubt that the country would have turned the corner in a year's time. I do not remember the facts and figures, but during the last six months even the inflation has received a set-back, and if the policy that he has been pursuing since last September succeeds, we would have turned the corner—if, of course, the food problem is ultimately solved. I do not want therefore to do anything more than draw the attention of the honourable Member to two or three matters which I consider of grave moment and to which I think the Government should apply its mind.

In the speech made by the honourable the Finance Minister—I find a reference to a legislation which he proposes to bring—about the power of the Income-Tax Investigation Commission to come to an agreed settlement. I think it is a measure which should find a place on the Statute Book as early

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as possible. Whatever the enthusiasm with which we ushered in this Commission, it had a most deleterious effect on the industry and commerce of this country. I hate black-market as much, if not more than, most of the members or anybody in this country. With my intimate knowledge of it...

Honourable Members: Your intimate knowledge of it?

Shri K. M. Munshi: Yes, my intimate knowledge of it as one who had a fair share of practice as an income-tax lawyer, as one having to do with crimes and as one giving advice even to officials, if you please, at some stage or the other, how to make black money white...

Babu Ramnarayan Singh (Bihar: General): Black-marketeers also?

Shri K. M. Munshi: Yes, certainly. But when I say this, I say it in this sense, that it is perhaps the greatest danger to the credit of the Government and the financial structure of the country, and therefore this new legislation, I submit, should be brought on immediately. If you go on holding long enquiries into 1,500 or 15,000 cases, nothing is going to come out of it. Most of the money that was being utilised in industrial development has already gone into diamonds and gold and what not, which neither the King's Army nor King's men will be able to pull out for you. It is therefore much better that the Treasury should gain a few crores immediately and people set going to do whatever they like with their money, rather than that this investigation should continue for endless time. I am very glad therefore that this proposal has been placed before the House and I would only request the honourable the Finance Minister not only to bring the legislation early—if possible, this session—but to see that the Commission is given wide powers of making settlement without going into detailed examination of books of account for ten or fifteen years or looking into every conceivable penny which might be hidden somewhere in the country. That is my first submission.

With regard to the second one, one thing which I want to draw the attention of the House and the honourable the Finance Minister to is the growth of the black market in this country. If anybody believes or hopes or thinks that it is being restricted, I beg to differ. In the past, as the House knows very well, black market came into existence because of the heavy super tax and the excess profits tax and the policy of putting more money into the hands of industrialists that the late Government followed during the war. Later on came the controls and though we may have to keep the controls...

Babu Ramnarayan Singh: No.

Shri K. M. Munshi:.....I for one am of the opinion that black market will go on increasing every day that you maintain the controls.

Babu Ramnarayan Singh: Hear, hear.

Shri K. M. Munshi: I venture to say and I said it to more than one Minister, that if the process of black marketing is traced, at no stage is it possible without the active cooperation or willing acquisence of somebody in authority or other. At the present time we are in the throes of what I may call a "national epidemic"—Members will forgive me if I use a strong word. The national epidemic is this: we want with frantic speed to cover all spheres of life by legislation, not here, but in the provinces. We want to deal all at once with all spheres of life which so far were not considered legitimate spheres for legislation. There is also added to it an exhuberant enthusiasm to convert as many moral lapses as we can into crimes. I do not want to tire

the House within the ten minutes that I have with a detailed list of legislations. If the House wants it, I can give it. But most of the legislation which comes out of the provinces day after day is not intended to do the legitimate work of legislating for the rights and obligations of citizens, but in some way or other to carry out moral reform. this frantic speed takes the shape of converting everything into a crime. If a moneylender's Bill is passed, it is therein prescribed that the interest charged shall not be more than say six per cent. But I am a needy man. My wife and children are hungry. The lender wants seven per cent. I will give him any amount of black-market money rather than carry out your law. That is happening every day in Bombay.

I can give you as many such instances from every province. The detailed control of life which we try to foist upon the people is leading to a huge and ever-increasing black-market. It will never come to an end, till the Central Government decides once for all that the controls must have a limit and that this limit must be scrupulously observed. If people have to be made morally reformed, it may be by educational methods, but not by turning them into potential criminals.

We talk of corruption in the police, among the other services. But has corruption ended in any service? With great respect, Sir, it has not. Only it is becoming a fine art and with every new feature of the fine art another black market comes into existence. You thus slowly destroy the economic structure of the whole country. I say this with a certain amount of solemnity because I see it every day more and more clearly unless the Central Government with all its moral authority and the tremendous influence it has in the country says that the legislative processes should be confined within legitimate spheres and that we are not going to convert this country into a reformatory by converting every moral lapse into a crime, we are going to head for an economic disaster, what a huge black-market involves and, which no legislation, no educational system and no pious speech is going to cure.

Shri H. V. Kamath (C. P. and Berar: General): Is my honourable friend against all moral values?

Shri K. M. Munshi: I am not against moral values. But I am pointing out that converting a moral lapse into a crime, or rather what a Ministry considers a lapse from moral values into a crime is fraught with danger. The vigorous effort that is being made to do it is taking the country to a stage when there will be a complete black market functioning in the whole country, except of course in the legislatures where speeches can be made attacking black-marketeers and where every man can apply the healing unction to his soul that he has vindicated the moral values. But these are the facts. I repeat, it is only the Central Government, with its tremendous authority and influence, that can step in and say that our legislation shall be restricted to the proper sphere of adjusting the legal rights and obligations, may be for some time. Please reform the country but let there be priorities. Let us have food first: Let our Government recapture its financial credit: Let business and industry flourish: and then there will be time to convert the country into a reformatory.

There is one thing more, and I have done. It is a matter on which I would like to speak, in greater detail to Ministers. Sir, I do feel that our Army deserves— and I speak with a full sense of responsibility—a little consideration at the hands of this House and the Government I am referring, Sir, to the reduction in the salary of the officers of the Army. I have during the last year and a quarter, come into close contact with many officers

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of the Army from Lieut.-Generals down to the ordinary private, and I know, and I am sure you will endorse my view that a better and a finer army does not exist in the world. It is this army which solved the problem of refugees: it is this army that maintained our reputation in Kashmir: it is this army that solved your Hyderabad problem: and I have a feeling—and I only speak it in public not for any other reason except that I feel overwhelmed with the responsibility for it—that there is a feeling among the officers with regard to the reduction in their pay. It is unfortunate. We might have fixed it from various valid considerations. But the psychological factors count today, and in the present condition of the country, if there is one service which has stood so far, and will stand in the future, between the country and chaos it is the Army: and I appeal to the honourable the Finance Minister—and I am glad to find that my friend, the honourable Minister for Defence is also here and I appeal to him too—to bring the fullest influence that they can upon the Cabinet. You cannot allow this splendid service of ours, or even a section of it, to remain under a feeling that their salaries have been cut down. It may be that looking to the various conditions in this country—the average occupation and the average income of the average man—the feeling may not be justified. That is not the question. The point is, is there a feeling or not? If there is a feeling that feeling ought to be removed.

Prof. N. G. Ranga: But is it justified?

Shri K. M. Munshi: It is not a question of justifiability. If you want their morale to be maintained and their efficiency to be maintained: if you want them to feel happy—the one service which stands between you and chaos—then you ought to have this feeling removed, whatever may be the price that we have to pay.

Shri R. K. Sidhva: My friend was not present in the House when the Budget was discussed and when this question came up.

Shri K. M. Munshi: I am very sorry if I am speaking outside my sphere. But as I say, we have tided over most of our difficulties, thanks to our leaders and our Members in Government. Our only two difficulties are with regard to food and Communism and both of them to a large extent are allied questions. In any future struggle that we may have for national existence, the Army is our valuable asset and I would appeal to the Treasury Bench and to my friend, the honourable the Finance Minister not to tighten his purse strings with regard to it. In some way this feeling must be removed, if possible psychologically and without making payments because he is a financial wizard and he might be able to do it—if not by other more substantial means. This feeling has been growing for a long time—at least for one year and a half—and it is I think high time it was removed.

Prof. N. G. Ranga: I am sorry, Sir, that I am obliged to speak after my friend has just closed on a note on which I am not in agreement.

Shri H. V. Kamath: On a point of order, has the salutary rule of silence been broken once and for all?

Shri R. K. Sidhva: It is not a point of order. It is left to the Speaker, the presiding officer to decide.

Mr. Deputy-Speaker: There is no rule either way.

Prof. N. G. Ranga: I have very great respect and affection for my friend, Mr. Munshi but somehow or other unfortunately for me I have found that Mr. Munshi has been taking up rather a conservative attitude in regard to social matters in this country.....

Babu Ramnarayan Singh: Which is necessary!

Shri K. M. Munshi: This is the first time I have had a compliment!

Prof. N. G. Ranga: .....with the result that my friend finds himself defending the champions of capitalists and the officers of the Defence department. It is time that responsible people like him should try and put in a word in favour of those decisions already taken by the Government, especially where the Defence Forces are concerned, because the Defence Forces as he ought to know are rather very sensitive to what is being said in this House, and if they are not made to feel that this House is extremely anxious to economise on every front in the interests of the common man, for whom my friend does not seem to have very much respect, the Defence Forces are likely to go on developing and nursing that psychological attitude which they at one time were helped to develop while others were in power in this country and might be unwilling to give up this even after freedom has come. At the same time I am not second to him in my admiration for our defence forces or in my anxiety to keep our defence personnel in a proper mood of satisfaction and also feel that they are really performing a patriotic duty. I would certainly be the first man to try and accommodate my friends in the defence forces, not only the officers but also the ranks, even in regard to financial matters, the moment the country is in a position to make more grants to them or set apart more money for them. But as things are today we find ourselves in a financial morass. Member after Member has got up and said "What is it that you are doing? Why do you spend so much money?" There were many Members who were complaining against the huge amount of money that is being spent on the defence forces. Surely does my honourable friend Mr. Munshi seriously contend that we should set apart another ten crores for the defence forces in order that these officers might be contented and to satisfy this psychological feeling which they had developed in earlier days.

4 P. M.

Shri K. M. Munshi: It would be 1/20th of it.

Prof. N. G. Ranga: My friend was rather strong against provincial ministries for having undertaken so much of social legislation. I would like to know what social legislation he had in his mind. I know of one piece of social legislation about which I was very keen and against which he had pleaded with all his vehemence and great abilities, both legal and otherwise, with the result that unfortunately in my province, our tenants, our kisans, were obliged to agree to our Government paying much bigger compensation to the zamindars, which they never deserved at all. I am obliged, in spite of my admiration for my friend, to be rather sceptical whenever he makes any such proposal.

Now coming to the budget itself, usually it has been the case with many of us to take the public into our confidence as soon as the financial proposals are published and say to the public whether the Budget was more for the poor or for the rich. All these 16 or 17 years we had got into the habit of saying that the Budget is all for the rich and in those days it was always for the rich, because the British Government was beholden to the rich and so they had to satisfy them. We have followed the same practice and have also condemned this budget both in the press, through press statements, and also in this House by speeches that this budget is only for the rich and it has not made any concessions to the poor and so on. As the House knows I am

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always very keen on getting as many concessions as possible for the poor but at the same time I must also realise that every year if every budget goes on making concessions to the poor, peasants, workers and others, then what happens. We will come to a stage when the poor people—the working classes, the peasantry the industrial workers and others—need not have to pay anything at all to the State and only the others will have to maintain the whole of the State. Will that be possible? Anyhow as things are today in the kind of society that we live in, would it be possible for any Finance Minister to levy all the taxes upon the rich people only and no tax on the poor? Why do I say this? Because a concession has been made to the poor but it was made two years ago, because of the influence of the Indian National Congress. That was a big concession indeed. It meant six crores of rupees. (*An honourable Member*: 'Ten crores'.) I am sorry, it meant ten crores of rupees per annum. I refer to the abolition or the elimination of the salt tax.

Babu Ramnarayan Singh: It is a concession to everybody, not only to the poor.

Prof. N. G. Ranga: It was in the name of the poor people that we always pleaded that the salt tax should go and it was for the sake of the poor people that it was abolished. It was for them that Mahatma Gandhi pleaded for its abolition and it has been abolished. What other taxes shall we think of? Year after year if we go on abolishing all these taxes what is it that we will be left with?

One of my friends has been saying this morning that the administration is top-heavy and so much money is being wasted. I would have understood the complaint if it had been made on earlier occasions, either during the general discussion or even at the time of the discussion on the demands for grants. When the grants were being discussed I dare say the House remembers how it reacted to the demands for the various Ministries. When the Home Minister came here what response did we give him? We were in a mood to give him much more money than what he wanted. When the Industry and Supply Minister was telling us what he was doing in trying to establish so many State factories for the production of iron and steel, synthetic dyes, petroleum and various other products, we were all admiration for him. When the Labour Minister came before us we were complaining that they have to do so many other things for which the House was prepared to give the money. When the Health and the Education Ministers came here no less a man than Thakar Bapa himself got up and said that he was weeping in his heart to hear their account and asked the Government why they did not give so much more money and why they were satisfied with so little. If we go on like that, it is certainly not open to us at this stage to go back and say that the Finance Minister should have been more vigilant over the public purse and should not have wasted so much money.

Let us take the Defence Department. Just now my honourable friend has spoken nicely about it. We also spoke in a similar vein on the Defence Demands except my honourable friend Mr. Sidhva who was able to make some detailed suggestions in regard to certain aspects of army expenditure. Every other member was all praise for the Defence Minister as well as his department and we were prepared to place more money. Let me tell you that I am myself in favour of strengthening our defences, not only the defence but also the police. One of my friends, Mr. Tyagi, was this morning criticising why there should be such a strong police in this country. Indeed I want a stronger police in this country. So I am one with Mr. Tirumala Rao as well as Mr. Munshi that the police should be strengthened. If we do not spend more money on the police then we will have to develop the

Prantiya Raksha Dal and similar organisations through which we can get cooperative service from the masses and in that way strengthen the internal security of the country. The most important thing in the country today first of all is to help our people to be alive, so that they can enjoy civil liberties. Are there any civil liberties in any other part of the world nearby? Are there any civil liberties in Burma today? Are there any civil liberties in Malaya? Are there any civil liberties in China? There are no civil liberties, why? Because there is the Communist menace which is gradually spreading its tentacles over the whole world and gaining control over larger and larger population centres of the world. Do you want that our country too should become a prey to this Communist party which believes, not in non-violence, but in violence. So I say we must strengthen our defence forces as well as our policy force.

An Honourable Member: The Police will be the first to join them.

Prof. N. G. Ranga: I shall now take up this tax relief question. It is true, when I heard this, I thought that the tax relief was given to the rich people who did not really deserve it. My friend, says it is not very much. It might not be very much: however I thought that they did not really deserve it. But the difficulty is that we have to pay to these people a kind of ransom in the last hope of winning their co-operation in our coming effort towards developing the productive resources of the country. My honourable friend the Finance Minister has already given them a warning but whether they are going to co-operate with and help the Government or not the future alone can tell. But certainly this concession is a thing which deserved serious consideration at the hands of the Select Committee.

So many complaints there have been, saying that we have not made any contribution to the developmental resources of the country. I want my honourable friend Thakar Bapa to take into consideration the moneys that the provincial governments are spending on health, education, housing sanitation and other public developmental services. It is on top of it that we have to consider what the Central Government is spending. If he only compared what the present Government is spending in regard to these matters with what the previous government was spending he would certainly find much indeed to his satisfaction. Even the Education Department has spread out its own protective wings, developmental wings, in many provinces. The same is the case with the Health Department. My honourable friend the Health Minister was keen on developing so many central institutes at the Centre that I am afraid in the provinces we need not have any institutes at all.

Shri A. V. Thakkar: May I interrupt the honourable Member for a minute? Has any Province in India introduced compulsory education up to this day—the richest, Madras and Bombay?

Prof. N. G. Ranga: My honourable friend Thakkar Bapa even if he was the Prime Minister of all the Provinces together and of the Centre would find that it is not possible for him to introduce compulsory education with the finances that he has got at his disposal unless he touches everybody's pocket. I am in favour of compulsory elementary eduoation. But he himself scouted the idea of bringing in conscription for all the educated youths in this country, University students and others, in order to drive them to the villages and bring about compulsory education. We have to start a national campaign. It is not only the finances of the state but also the social resources and the contribution of the people that have to be taken into account in order to achieve it. It is not open to us here, burdened as we are with all these responsibilities, to come and attack this Government "Why have you not established it; if

[Prof. N. G. Ranga].

is sixteen months since you have been in office; why have you not introduced compulsory elementary education?" It is not possible. Otherwise certainly they would like and I would like to have it just as my honourable friend Thakkar Bapa would like to have it.

[At this stage Mr. Deputy Speaker vacated the Chair, which was then occupied by Shrimati G. Durgabai (one of the Panel of Chairmen)].

One more word and that is that this Government is subsidising food to the tune of Rs. 30 crores. Is it not a contribution to the poor people, the common people in the country? Of course it is a contribution against my people, the Kisans, because this Rs. 30 crores is bringing down the prices of our own food with the result that those people do not have the necessary inducement to raise it more and more.

Begum Aizaz Rasul (U.P.: Muslim): Madam, I did not expect to be called at this late hour, but I am grateful to you for giving me this opportunity of saying a few words. So much has been said on the budget as well as the Finance Bill during these last few days that I do not think I have anything new to add to it. But I might just say that I agree with those honourable Members who have expressed the opinion that there must be some sort of co-ordination in regard to taxation between the Provinces and the Centre. For instance I may say that in most of the Provinces there is a Sales Tax. This, as the House will realize, imposes a tax upon the consumer in everything that the consumer buys. Now, apart from that the Centre is imposing a tax on things like sugar, cloth and petrol. This means the consumer will be doubly taxed on these commodities of everyday use. This is unfair. I think it is up to the Finance Minister to let the House know what is the incidence of Income-tax in this country. We are not averse to paying taxes, but certainly we ought to know how we stand in the matter of taxation. Then the government has taken up the position of increasing land excise duty—why on consumer's goods produced in India? Tax on imports is also tax on consumers. This is justifiable if protection of Indian and indigenous industries is meant thereby. We can tax things like steel and iron and foreign cloth and other items mentioned by Tariff Board Report. We can also tax sugar from Java and Mauritius. But certain things that are the needs and requirements of the man in the street should be taxed only if it is absolutely necessary to do so. The cost of living is already very high and prices of commodities such as cloth, sugar, petrol etc. must effect the people. The raising of the tax on betelnut is also very unfair. Betelnut is a luxury that is enjoyed by the poor man. It will affect my Province very much because betelnut is very popular there and it is used by large sections of the people. In fact if I remember right tax on betelnut was raised a few years ago and therefore the additional tax is very unfair.

The honourable the Communications Minister made out a very good case as regards the raising of postal rates. As far as the postcard is concerned I entirely agree that the price should be three pice per postcard, but as far as the letter is concerned I think that the six pice rate per letter should be retained. All those who want to send letters by air mail can certainly afford to pay an extra sum. Therefore the postal rate on envelopes should not be increased except for those people who want to send by air mail, and there I think that one anna or two annas or even three annas extra may be charged for those letters that are to be sent by air mail.

I have also in mind the Agricultural Income-tax that has been imposed in most of the Provinces. This will not only affect, as some people think, the big landlords but will also affect the big farmers and the tenants and will to a great extent discourage the development of agriculture and largescale

farming which is so necessary for our country today in connection with food production. When the Bill for the Abolition of the Zamindari which is on the anvil in most of the Provinces comes into effect and after the zamindaris have been abolished the tax will fall very heavily on the farmers and the peasants who will inherit all those lands that once belonged to the zamindars and will, as I say, discourage to a great extent the food production of the country. I hope that this aspect of the matter will be kept in view.

Then, Madam, there is one other point I want to make and that is with regard to the commercial undertakings of the Government. In the Limitation of Dividends Bill the Government has proposed six per cent as the highest dividend that is to be paid as profits. That means that it feels that six per cent is the minimum reasonable figure one should expect. But from the Government's own commercial undertakings like the Railways and the Posts and Telegraphs what are they getting? In the first place the businessman has to compete with others before he can make this six per cent. But in a State commercial undertaking you don't allow competition and so it is all a monopoly. The Government has invested about Rs. 720 crores in divided India as this year's account shows and the contribution that the Government is getting from the Railways is a little over Rs. 4½ crores, which means a little over half of one per cent. I should like to know why it is so. It certainly is a public utility concern but it is also a commercial undertaking of Government and I should therefore think that Government should expect a higher figure of dividend than half of one per cent. Even the British officers have stated that the Railways should pay more profits to the Government. But we see no evidence of this and even this rate is fixed after increasing about 50 per cent on rates and freights over and above the usual fares and war Surcharge.

Madam, I have to say just a few words about Defence. Quite a lot of criticism has been made over the high expenditure on Defence. From the reports that we see in the papers, Pakistan has budgeted about 60 per cent of its revenues for Defence and India has budgeted about 48 per cent. Naturally these are very high figures, and we are entitled to ask why Defence expenditure is being raised so much. To my mind the only way to reduce this high expenditure is to evolve a common defence policy. The Cabinet Mission Plan said that it was impossible to divide the Indian Army, that the defence of India was built up as one unit. Well, as things turned out the Indian Army had to be divided up. But, it cannot be denied that the spirit of fraternity and comradeship still persists amongst the officers and men of the two armies and I should like to see the day, and I hope it is not far off, when India and Pakistan can join together in a common defence. After all, what are these feverish preparations for? I shudder to think of the possibility of these two Dominions going to war. It will be the unmaking and finishing up of both the countries and I do not think that the statesmen of either country can ever have this intention in view. Therefore, it is necessary that these two Dominions should come more and more together. If these defence preparations are for an enemy outside India, then it is more necessary for the two Dominions to build up a programme of common defence.

Shri H. V. Kamath: Is my honourable friend, Madam, prepared for a re-union of the two?

Begum Aizaz Rasul: I certainly feel that the defence of the country should be devised on a common basis as that is the only way to save these two countries from foreign aggression, from communism and from all those forces that are threatening civilisation. India and Pakistan together can fight these, much better than alone. And the money thus saved can be utilised

[Begum Aizaz Rasul]

for nation building activities. I would like not only a common defence but a common economy also, which will build up the prosperity of the two countries.

I was very glad to hear from the honourable the Home Minister the fact that the Muslims are settling down in India. Madam, it is with a feeling of great pleasure that I heard this. I can say with all the emphasis at my command that the Muslims of this country who form a very large section of the population, consider themselves as citizens of India. They do not want any preferential treatment either from the Government or from the people, they only want security for themselves to live happy and peaceful lives. They would be willing to lay down their lives for the honour and prosperity of the country and are absolutely willing and ready to make every sacrifice for the defence of the country. I only wish to reiterate that they do not want that any perferential treatment should be meted out to them because they are Muslims but that no discrimination should be made against them because they are Muslims. As citizens of this country we are willing to share in the responsibilities as well as in the benefits that accrue to any citizen of a country. I therefore feel that the words that came from the mouth of the honourable the Home Minister were most gratifying. I know that with leaders like His Excellency Rajaji as Governor-General and Sardar Patel and Pt. Jawahar Lal Nehru, at the head of the Government we can hope to get a fair deal in this country and conditions, already created, will be maintained which will infuse more and more confidence and feeling of security and contentment in the minds of the Muslims living here.

Mr. Chairman: I shall ask the honourable Member Mr. Sidhva to speak if he can finish his speech within five minutes because I want to ask the Finance Minister to speak at 4-30 sharp.

Shri R. K. Sidhva: Thank you, Madam, for giving me five minutes. I am very glad that Prof. Ranga very effectively gave a reply to Mr. Munshi, particularly on the question of the salaries of officers of the Defence Ministry. I am mentioning this because it may not be misunderstood that this House, while considering the Defence Budget, was not considerate about their officers and the Army to which this House has unanimously given the best compliment and tribute. We have at heart their interests and we assure them that they are liberally paid. The Defence Minister himself and the Finance Minister also have stated that they are fairly well paid.

Having said that, as far as this Bill is concerned, I find that my honourable friend the Finance Minister has stated that some of the enhancements of duties and taxes he has proposed as an anti-inflationary measure. He has mentioned so in clause 4 of the Statement of Objects and Reasons. That is correct. But I fail to understand this. I want to know what is the definition of inflation. I do not know whether my honourable friend the Minister has got a special dictionary in his archives for the definition of this word inflation but in the common dictionary which I have got I find, it means "swelling", and if "swelling", as we know, happens on the human body, the surgeon immediately sterilises the knife and cuts that swelling so that the body becomes healthy. If that is the correct interpretation of the word inflation, then the first thing he should have done is to put a cut upon the various Departments which are superfluous. In his Budget speech he was rather reluctant to do it. He stated that he would examine this matter

next year, but the House vociferously opposed that idea and I am very glad, and I congratulate him, that in defereuce to the wishes of the House, be replied on a cut motion that be is going to examine this case uow and within three months he will see that the Economy Committee's proposals are carried out. I congratulate him from the bottom of my beart for this. Unless you cut down superfluous staff and superfluous expenses, you will not be able to cut down your expenses and your inflation will not to any extent be reduced.

There is an item in the Civil Budget under the heading, "Other charges", amounting to 5·68 lakhs. "Other charges" are uot defined aud in some cases very meagerly defined. I would request him that he must straight-away without going into details tell each Ministry to cut down by 10 per cent. That is the practice iu many departments outside the Secretariat and it bas been successfully carried out. I know the Secretariat will hesitate, but I am sure that with his persuasive tongue and impressiveness, if be were to tell all the Ministries that iu this "Other charges" 10 per cent must be cut down, I am sure the efficiency will be maintained without any difficulty. I can tell you from my experience that I have made that experiment aud carried it out successfully though with opposition which the ministerial staff offered at the earlier stage.

As far as taxation is concerned, it is not a question of taxation which this House alone imposes. We have to bear in mind, while discussing of the common man, as to what his own position ie as far as his Province and village and district are concerned. He is being taxed from all round. What are the Provinces doing today? To balance their Budgets the Provinces are increasing the taxation on all sides. If you increase the burden on the poor man. the middle class man and the rich man to balance the Budget, with due deference to the honourable Minister I would say that that will not he called a balanced Budget. To meet your expenditure you might levy taxation up to 100 per cent aud say, "I have balanced the Budget". Balancing the Budget should be real, not artificial. Now, what is happening in the provincial taxes? Madras has withdrawn the exemption of agricultural products from sales-tax and they charge 50 per cent more on groundnut and cashew-nut. Bombay is levying 3 pies on exports from the Province. I would like to know whether provincial governments should be allowed to impose any kiud of taxes on exports? That is very unfair. Madras levies 3 pies on cotton export. They also charge 25 per cent on property taxes. These are points which the honourable Minister should take into consideration very seriously.

These are matters which we should consider if we or the House want to do some real good to the people. In the last Budget discussion, I asked the predecessor of the honourable the Finance Minister "what kind of relief are you giving to the common average man, the man in the street? After freedom he wants to know what he has gained." And he told me that this was not the form for giving any kind of relief to the villager, and that I must go to the province for that. I am very glad, Sir, that the honourable the Finance Minister, in his reply to many of the Members did not share the views of his predecessor. This Central Assembly can do many things to bring relief to the common man. Sir, is not the common paying to the centre? Take the Third-class earnings in the railways. Out of the earnings of Rs. 81,66,25,000, Rs. 67,97,00,000 are paid by the third-class passengers. They are thus paying to the Centre and you cannot ignore them on the score that they do not pay you anything.

[At this stage Mr. Deputy Speaker resumed the Chair.]

Dr. Monomohan Das (West Bengal: General): On a point of information, Sir, what is the procedure adopted in this House for calling honourable Members to speak?

Mr. Deputy-Speaker: It is an academic question which I am not prepared to answer.

How much longer will the honourable Member take?

Shri R. K. Sidhva: I have to say many things, but I do not want to do so now. I will only say that I am very glad that the honourable Minister in his recent speech has really developed the points which we wanted to develop, and also met the wishes of the House. In his Budget speech we were very much disappointed from the tone and the manner in which he presented the Budget. But that shows democracy. That shows the democratic nature of the House, he saw it and immediately he changed the view which he held originally, and to-day he has made a reference to the Economy Committee.

I really congratulate the honourable the Finance Minister. I will only say that if he wants to benefit the whole country and give relief to all, and if he wants to give relief, he should not cast his eyes on Dalal Street only. He must look to the whole country and on everybody alike. He may look to Dalal Street and give relief to its people. But he should not ignore the poor people and in future he should see that all are benefitted equally.

The Honourable Dr. John Matthai: Sir, I find it a little difficult to reply to a debate of the kind that we have had yesterday and to-day because although it was the Finance Bill that was under discussion, most of the matters which came up for review by the House are matters which concern the Government as a whole. The greater part of the questions raised related to Ministries other than my own, and although I certainly share collective responsibility for the views and the decisions of Government, the House will appreciate that I do not have sufficient direct or immediate knowledge of what is happening in other Ministries, to be able to give the House considered and final views on many of these matters.

As regards the taxation proposals which are embodied in the Finance Bill, since all these proposals are coming up for detailed examination and scrutiny by the Select Committee, it does not seem to me necessary that I should weary the House with my views regarding them. Various suggestions have been made as regards these taxation proposals, the manner in which these proposals might be modified, the manner in which some of them might be replaced; all these suggestions, I have no doubt, will be taken into the fullest possible account by the Select Committee which the House is going to appoint.

There are, however, certain general problems regarding the financial and economic situation in the country to which reference has been made and on which, therefore, I would like to offer a comment or two during the short time that the House has kindly placed at my disposal.

There is one point which has been raised by more than one speaker. I think it was my honourable friend Babu Ramnarayan Singh who first raised it, and I think Mr. Tyagi, Mr. Thakkar and various other Members also raised it. What they say is this: "It is not so much to the level of taxation that we object. We are prepared to stand a reasonable level of taxation, a reasonably high level of taxation, provided, the proceeds of the taxation are expended in a manner which would be of direct benefit to the great mass of the people in the country; not merely of direct benefit to them, but would be demonstrably beneficial to them." That is a point with which I entirely agree. But then we are up against a serious practical problem there. In the way in which Government is organised in our country, the Centre does not come into direct contact with all those social and economic problems which concern the people most directly. It is only in an indirect manner

that we can be of help. If honourable Members have scrutinised the Budget carefully, they will find that we have made provision for grants to Provinces of somewhere about Rs. 27 crores. We have made provision for loans to Provinces in 1949-50, somewhere about Rs. 58 crores. We have provided for food-subsidies to the extent of Rs. 33 crores. We have provided for the maintenance and settlement of the large population who have been displaced from their original homes and who are on our hands and are our responsibility. For them we have made a revenue provision of Rs. 10 crores and we have made a capital provision of nearly Rs. 20 crores. All these are provisions which we have made for the advantage and for the benefit of that individual whom in these discussions we have often described as the common man. But these have not been very demonstrably brought out, though they are all there implicit in the Budget. My own feeling is this, that if we are able to sail into more comfortable waters, as regards our financial position, it ought to be possible for us to provide for this expenditure that we undertake for the benefit of the great masses of the country, and we should be able to provide it in a manner and on a scale which would have a certain amount of psychological effect. I think it ought to be possible to do it, provided our financial position is slightly better than it is to-day.

I think it was my honourable friend Babu Ramnarayan Singh who at an early stage of the debate raised the question of salary scales. Frankly I am very uncomfortable about the salary scales that prevail throughout the country to-day, not merely in Government services, but in every walk of life. If it were possible for us to get the great bulk of our people to a plane where service and only service would be the motive, then we could, of course, do away with the kind of salaries to which we have got so used. I think Babu Ramnarayan Singh called our attention to the fact that before the War, when the Indian National Congress began to apply its mind to this problem, they fixed a certain limit. I think they said that the maximum salary should not exceed Rs. 500 and he put a very pertinent question to the Treasury Bench, "Why don't you adopt it? Why have you departed from it to this very large extent?" May I suggest a little practical consideration to Babu Ramnarayan Singh? This Rs. 500 that the Congress fixed as the maximum limit was fixed with reference to pre-war prices. The index number is now standing at 370 compared with pre-war prices. Direct taxation stands at a much higher level than it did in 1938-39. (*Babu Ramnarayan Singh*: 'Dearness allowances?') Yes, these figures take these factors into account and today the equivalent amount would be somewhere about Rs. 2,000. I am not suggesting that as a final answer to the point that he made.

Babu Ramnarayan Singh: But in that proportion you have not increased the salaries of the permanent services and the lower paid employees.

The Honourable Dr. John Matthai: If you take the dearness allowances, much the greater part goes to the lower paid employees of the Government and relatively little of it goes to the benefit of the higher paid employees, but I was going to say this is a matter that we have to take into account.

When I was an official of the Government of India, years ago—and those were spacious days, when we officials lived comfortably—we spent six months of the year in Simla and spent six months when the weather was comfortable and hospitable here in Delhi. Comparing now my experience as a Miniater of the way in which the senior officers of Government now work and comparing that with the way in which I as a fairly senior official under the old regime worked, the number of hours that our senior officers work today and the enthusiasm and the consciousness with which they work today, represent a mighty higher standard. When we were in Simla, we went to the office at 10-

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o'clock and it took very nearly 45 minutes before one could reach the office from the hotel. Coming back it took another 45 minutes; every day there was a lunch party for nearly two hours; every evening there was a cocktail party and every night there was a dinner party and moving about in Rickshaws, practically the whole of your time was absorbed in matters of that kind. If you take the way in which the senior officers of Government are working today, it is a marvellous transformation and I think it is but fair to our officers—and I am speaking of the senior officers with whom I come in contact in my day to day work,—it is but fair that they should be given credit for it.

There is another point that I should like to mention. We are living in very difficult times not merely in our country, but in neighbouring countries. Has the House ever considered why it is that in India we have been able to preserve a fair degree of stability and how we have been able to save the country from, at any rate, the kind of serious collapse that has occurred in a neighbouring country like Burma? I would like to make two suggestions to the House. The most important reason is that in our country, unlike Burma, we have two or three men to whom the whole country owes loyalty. There is leadership of a kind that does not obtain in some other countries, but apart from that there is a very important reason, and that is this. If you take a country like Burma, the Englishmen who used to run the Civil Service and the administrative machinery, they have all departed. The rest of them were mostly Indians who have also departed and practically there is not even the remnant of a trained Civil Service there to run the machinery of Government. Here, fortunately for us, whatever may be the criticisms that we pass upon our officers, we have a body of trained men, trained in administrative work and be it said to their credit, entirely loyal to the new regime; these are the people who have stood between us and collapse.

I was speaking of the scale of salaries and let me get back to the subject. I am not one who believes that money is a useful thing beyond a certain limit. I was a fairly prosperous businessman before I joined the Government of India as a Minister and speaking in the presence of an old colleague Mr. Mody, I may say that the financial position in which I find myself today as a Minister is very different. (*An honourable Member*: 'Was your colleague in business or what?') None what I am going to suggest is that it is not that I want more money. From my personal experience, I find that life today is quite as interesting and quite as enjoyable a thing to me as in the days when my income was two or three times what it is today. The things that matter in life are, to have interesting work to do, to be able to have wholesome food to eat, the pleasure of family life and enjoyment of nature and art, reading a few good books—these are the things that after all give content to life and as far as these real things in life are concerned, it does not seem to me the difference between a high level of income and a moderate level of income makes any difference whatsoever. I am referring to this point because I think it ought to be our business as much the business of Government as of public leaders in this country to educate people to a proper sense of money values, but till we are able to reach that condition, I think we must reckon with the fact that men's ordinary motives must receive a certain amount of satisfaction. That is the problem with which we are all faced.

A problem that was raised over and over again in the course of the debate was the conflict and overlapping which have occurred between the Centre and the Provinces in the matter of taxation. That is a point to which I referred in the course of my reply to the General Debate. I will simply repeat this afternoon the reply I gave then, that I do admit that it is about time that we did something to remove the scope for conflict and overlapping that exists

under the present system. How it is to be done is a problem. As I said, there are two ways of doing it. It is possible to reach some kind of agreement. some kind of settlement by agreement. If that is not possible, we have got to consider very seriously whether we should not put into the constitution financial proposals which will effectively meet the problem,

Another subject which about frequent reference was made is the question of Planning. It is perfectly true the Government have now reached a stage where to all appearances planning seems to have been thrown overboard, but that is not in reality so. I would like to take the House back to the days when the National Government was first formed, the interim Government of 1946. We assumed office at the end of August 1946. The Prime Minister was the Chairman of the National Planning Commission and that Commission had over a period of years been engaged in the very important task of drawing up a plan of development for the country. (*An honourable Member*: 'Was it a committee or a Commission?') Then along with the Prime Minister there were some of us who had also been associated with national planning and had also done a bit of planning in our own sphere and we were all immensely interested in the idea of planning. We assumed office in August. About the end of October, we were asked to form a Coalition Government with the Muslim League. The whole idea of National planning with which we were concerned at the time was planning based on the idea of a unified India. But everytime planning was mentioned in the Coalition Government it became an unacceptable idea, because unified India was not the basis on which half the Government was working. It was impossible then to make any progress. That position changed I think about August 1947. In August 1947 we had Partition. When Partition came, not merely did all the data collected become entirely out of date and out of relation to realities. it was a question simply of trying to preserve our economic structure from going to pieces. In other words, by the time the National Government found itself in the saddle, the problem before us was not to create a new order, but to preserve the existing order from going to pieces. That is the problem which has absorbed all our time till now. The Prime Minister is very actively considering at present the setting up of a Planning Commission with the idea that we may now tie up loose ends and piece together the fragments of work done in the past and see whether we cannot make some real progress.

Reference has again been made to the Economy Committee. I do not think it is necessary for me to say anything more than what I said the other day. There was a certain amount of criticism on the procedure I suggested. What I said was that the Ministries should first consult their Standing Advisory Committees and then the whole matter would be put before the Standing Finance Committee. It was suggested that that procedure might slow up the whole process and that it might make for delay. Now, there is no other way in which we can give satisfaction to the House, because if the Executive decided to take the sole responsibility upon itself and the conclusions that the Government of India came to were conclusions which were not acceptable to the House what would be done, especially in view of the fact that a great deal of suspicion has been expressed with regard to the real intention of Government with regard to economy. It is possible that when the Government announces its proposal the House might find them unsatisfactory and unacceptable. But if I am able, if the Government are able to carry the various Standing Committees of the House with it, then the proposals might probably receive better acceptance at the hands of the House. I have in mind also, when the Standing Finance Committee meets in order to consider the final proposals—and that would not be very long .....

Shri Mahavir Tyagi: Are the proposals drastic enough?

The Honourable Dr. John Matthai: On that point I think I must ask the honourable Member to wait. When the proposals come before the Standing Finance Committee, for final decision, my idea is to invite the Chairman of the Economy Committee and one or two of his colleagues to sit along with us so that the Committee may have not merely the point of view of the Ministries, but also the point of view of the Economy Committee. What I am trying to suggest is that the House is not altogether justified in entertaining these deep suspicious feelings about the Government and particularly about me with regard to this question of economy. I am trying to put all my cards on the table. If, in spite of that, in spite of all this procedure we are adopting, it is ultimately found that the proposals for economy are not of the order that the House anticipates, the fault will not be entirely mine or of the Government.

On the question of National income, a suggestion was made that the enquiry might be linked up with the Census. I think it is based on a misconception. A census of population is one thing, and a census of production is an entirely different thing requiring a different technique.

My honourable friend Mr. Chaliha referred to opium again. I am conversant with the problem of opium and I know that his particular province, Assam, is greatly concerned with this question. As I told the House once, I am going to have, as quickly as possible, a conference of the people interested. But I do think I ought to invite my honourable friend's attention to this fact that if we restrict the consumption of opium to medical and scientific purposes, if the standard laid down by the League of Nations has any significance, then the average consumption per head of the population today in India will be found to be below the standard laid down by the League of Nations for medical and scientific purposes.

Srijut Kuladhar Chaliha (Assam: General): That was laid down as far back as 1926.

The Honourable Dr. John Matthai: I take it that the fundamental needs of human beings have not changed since 1926.

Babu Ramnarayan Singh raised the question of controls. We have resumed the policy of control, but I think it ought to be realised that we have resumed it only in regard to the most essential kinds of commodities. We have done so because we have realised the limitations of Government in this matter. We have a very defective instrument in our hands with which to deal with this problem of control. Therefore, it is only in regard to articles where the need for control is almost inescapable, it is only in relation to them that we have adopted it. After all, if you remember the way in which prices shot up from the end of December 1947 up to July 1948, during the period of de-control, it was difficult for any responsible Government to resist the feeling that there must be some kind of connection between the two happenings.

Babu Ramnarayan Singh: Sir, the stock of cloth in the bazar is more than enough for our requirements. Then why control cloth?

The Honourable Dr. John Matthai: My honourable friend the Minister for Industry and Supply is quite capable of looking after himself in this matter. I know he will agree with me that the question of distribution at present is not all that might be desired. But I have his assurance that things are progressing and that in a very short while we shall be able to see considerable improvement in the distribution of cloth.

Shri Deshbandhu Gupta (Delhi): May I request the honourable Minister to throw some light on the question of controlling the increase of population as suggested by my friend Pandit Thakurdas Bhargava?

The Honourable Dr. John Matthai: That is one of the points I have noted. But I thought the interest of the House on this question was not sufficiently keen. But in case it is—I do not want to commit the Government on this question—I may express my personal reaction to this problem. It is this: we all complain of over-population in our country and that the food supply and the economic resources of the country are not sufficient for maintaining so large a population as we have today. My view is this: I would rather put myself to a fuller and more exhaustive examination of the potential economic resources of the country before I come to the conclusion that the population is excessive. If any of us are alive 25 years from now—you may take it for what it is worth—he will find that, if the economic resources of the country are properly developed, in the space of a generation or two, the population of this country, instead of being a liability, will be an asset.

I think it was Pandit Thakurdas Bhargava who raised the question of birth-control. I am all for voluntary intelligent control. But when it comes to birth-control by artificial methods, you are up against a serious problem: If you extend its use to the whole community, you are getting the community used to the satisfaction of the physical, the animal instincts of love without at the same time incurring the legitimate responsibilities which it carries with it. The result would be that in the course of a generation or two you will find the population of this country would not be sufficient to undertake all the responsibilities that fall upon it. Now, I do not commit the Government in any way on this question.

5 P.M.

My honourable friend Mr. Modi asked me if the directive with regard to Prohibition has been at all observed by the provinces. The fact of the matter is that except the provinces of Madras and Bombay, all the other Provincial Governments have gone quite sufficiently, as far as their commitments permit, to meet the directive issued by the Government of India. They are doing it by stages, that is to say, in such a way that the strain on financial resources is limited to a minimum.

Mr. Modi again asked what my attitude was with regard to bearer bonds. I do not like it, and for the present I do not propose to encourage it for reasons I think with which my honourable friend is quite as familiar as I am. I am up against the problem of tax evasion and the introduction of bearer bonds is not going to help me in that matter.

I have been asked over and over again whether this discrepancy between the Budget estimates and the Revised estimates for 1948-49 does not cast a serious reflection on the Budgeting capacity of the Government of India. I think it is possible to reach a conclusion only on a careful examination of the position and I must say in all seriousness that honourable Members who have spoken on this subject have not done us justice. Now, the developments in Hyderabad, the very serious developments in Kashmir, the untoward developments in regard to certain refugee problems, the failure of the crops and the necessity for importing larger amount of foodgrains—these are not things which even the wisest Finance Minister and Finance staff could have anticipated early in 1948.

Mr. Homi Mody: That is only with regard to expenditure.

The Honourable Dr. John Matthai: I am coming to the other side. On the revenue side, the largest single item of revenue is customs. It was somewhere in July that we decided to liberalise our import policy in view of the inflationary conditions which were prevailing. The Finance Minister in February 1948 could not have anticipated that. That gave us a large yield of revenue. As regards income-tax, what happened was, that when we found that we were faced with all this unanticipated expenditure under Defence, under food subsidies, under relief and rehabilitation etc. we thought that it was necessary to raise the revenues, available to us. One way of doing it on the

[Dr. John Matthai]

direct taxation side was to step up the collection of arrears, to put more momentum into that work, and that, to some extent, increased our income-tax revenue. It was again for that reason that we decided, towards the end of the year, to introduce the system of provisional assessment, which again increased our revenue. It was again with the purpose of meeting this increased expenditure that we decided in connection with our anti-inflationary measures to levy customs duty on a number of fresh articles and this resulted in further increases. Therefore, when the expenditure increased for reasons which could not be anticipated, we as sensible, intelligent people tried to adapt ourselves in these various ways on the revenue side.

Then our friend Mr. Modi put me a question which surprised me. He told me, "You people are using your cash balances in order to meet your current expenditure." I was, frankly, surprised at this question, from a businessman and a banker at that. The whole basis of my Budget proposals is to balance revenue and expenditure. Therefore, the whole of my current expenditure I am meeting out of current revenue. I am not drawing upon cash balances in order to meet my current expenditure, which is met entirely by revenue. We are proposing a total capital expenditure of somewhere about Rs. 240 crores for 1949-50; out of that, we are meeting Rs. 184 crores by drawing on our cash balances. That is the real issue. Therefore, the cash balances which are our reserve are being used actually for capital purposes.

An Honourable Member: What about short-term loans?

Another Honourable Member: It is past five, Sir.

Mr. Deputy-Speaker: There is no guillotine as far as these things are concerned.

The Honourable Dr. John Matthai: I will finish presently, Sir.

Mr. Deputy-Speaker: I am not hurrying the honourable Minister. I am sure the House will sit for some more time.

The Honourable Dr. John Matthai: I think, you Sir raised the question of the Estimates Committee of the House of Commons, that is to say, that we must have a Committee of this House to scrutinise expenditure in much greater detail than our present Committees are able to do. A useful idea, theoretically. The difficulty about it is this. The Estimates Committee of the House of Commons is able to do its job because the House of Commons is a much more strenuous body than our legislature. They sit practically right through the year, and this Estimates Committee sits for nearly four months on end examining expenditure. They sit day after day examining it. It is possible for us in the new Constitution to arrange things in such a way that our legislature sits like the House of Commons practically over the whole year. But if that is not possible, an Estimates Committee would not work any better than our present Standing Finance Committee. Apart from that—I am speaking without any particular authority, but I have discussed this matter with people who are conversant with the working of the Estimates Committee of the British Parliament—my impression is that those who are directly concerned with the working of the Estimates Committee are of the belief that the Estimates Committee of Parliament does little useful work. It is not being eliminated because any institution in England which has become part of the traditional structure of the country is maintained for its traditional value. I think as an effective institution for the scrutiny of expenditure, the usefulness of the Estimates Committee of the House of Commons is slightly exaggerated.

I have been asked about the Public Accounts Committee. It is perfectly true that we have not been able to present reports for two or three years. Now, the trouble is this. Since the partition occurred in 1947, it has been very difficult for us to bring our figures at present into any sort of comparison with the figures before the partition. It has completely dislocated the continuity of our accounts. That I think is the reason which has made it very difficult. We have not been able to settle all our accounts with Pakistan and until we are able to finalise these accounts, public accounts for that period would not be complete. That is another reason. But we are trying to do our best. Personally, I am of the view—I am speaking subject to correction, I am in the hands of the House entirely on this matter—my own feeling is that the Public Accounts Committee's reports for 1945-46 and 1946-47 would have nothing more than a purely academic value.

Ch. Ranbir Singh (East Punjab: General): What about Agricultural Finance Corporation?

The Honourable Dr. John Matthai: On the Agricultural Finance Corporation, my feeling is this. I think there is something to be said for it, but I would much rather have the Agricultural Finance Corporation set up by the provincial governments and any assistance that they want could be given by the Centre through the co-operative agency. I think Agricultural Finance Corporations should be set up on the basis of co-operative institutions, either credit institutions of the ordinary variety or land mortgage banks. In either case, it ought to be possible for the Central Government, if their finances permit it, to make advances to the Agricultural Finance Corporation of the provinces.

Ch. Ranbir Singh: Stabilisation of agricultural produce.

The Honourable Dr. John Matthai: I think, Sir, I have covered most of the points. It is rather late. I think one honourable Member—it was Begum Rasul—who complained that the general contribution of the Railways is not sufficient. I think the point to remember is that this 4.75 crores contribution does not include the interest which the Railways pay us on our investments; they pay us about Rs. 22 crores and this Rs. 22 crores must be added to this 4.75 crores in order to get the precise amount that we draw from our investment on the Railways.

My friend Prof. Shibbanlal Saksena reminded me of the Stakhanov method. I still adhere to my view that it is really a question of individual gain. I would suggest to my honourable friend, when he has time, to read a book by the famous French Socialist Andre Gide on Russia. He went with a party of French miners to see the way in which Russian planning was working and he was taken to a mine where the Stakhanov method had produced remarkable results. His French miners who were with him, also went into the mine for a day just for the fun of it and took part in the work. When they came out, the thing that impressed them was not that production had increased under the Stakhanov method but that it was so low before the Stakhanov method was introduced. In fact the extent to which the Stakhanov method has worked in Russia is exaggerated. As far as the system of Russian planning is concerned, the thing that makes their planning system work with such success and with such a sense of unity is that right through all the strata there is an element of strong, loyal, party-men who keep the strings in their hands. In fact it is not distinguishable from the most undemocratic type of Government that you can think of. If Prof. Saksena thinks that is the basis on which we should proceed, he is welcome to his idea.

Babu Ramnarayan Singh: According to the honourable Minister, what are the favourable circumstances which will allow a removal of control, and when does he expect it?

The Honourable Dr. John Matthai: It is a little difficult for me to answer that question. The question of control is very closely bound up with the level of prices to the extent that the extent of prices indicates the degree of scarcity of foodgrains. To that extent this question is bound up with the level of prices. If we are able to increase the supply to such an extent that it is more or less equal to the demand, then that would be the time. When that time will come, is more than I can tell.

Shri Biswanath Das (Orissa: General): May I know whether the honourable Minister for Finance could give us any assurance or undertaking as to when he is going to place before us the report of the Auditor-General of India and when is he going to invite the Members of the Public Accounts Committee to deliberate over it?

The Honourable Dr. John Matthai: Three months ago I tried my best to get a meeting of the Public Accounts Committee. As a matter of fact I sent a circular round for a meeting and when we met we found we did not have a quorum. Later we were unable to get an agreed date. As soon as the Members can attend a meeting, I am prepared to call one.

Mr. Deputy-Speaker: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the year beginning on the first day of April, 1949, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Pandit Hirday Nath Kanzru, Shri T. A. Ramalingam Chettiar, Shri Biswanath Das, Shri R. K. Sidhva, Shri Surendra Mohan Ghosh, Prof. N. G. Ranga, Shri Ram Nath Goenka, Mr. Naziruddin Ahmad, Shri Mohan Lal Gautam, Shrimati Annie Mascarene, Shri Gokulbhai Daulatram Bhatt, Shri Prabhu Dayal Himatsingka, Mr. Homi Mody, Shri Khandubhai K. Desai, Shri S. V. Krishnamoorthy Rao, Shri H. V. Kamath, Shri B. L. Sondhi, Shri Kala Venkata Rao, Srijut Rohini Kumar Chaudhuri, Shri K. Hanumanthaiya, Shri Deshbandhu Gupta and the Mover with Instructions to report on or before the 25th March, 1949, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 23rd March, 1949.